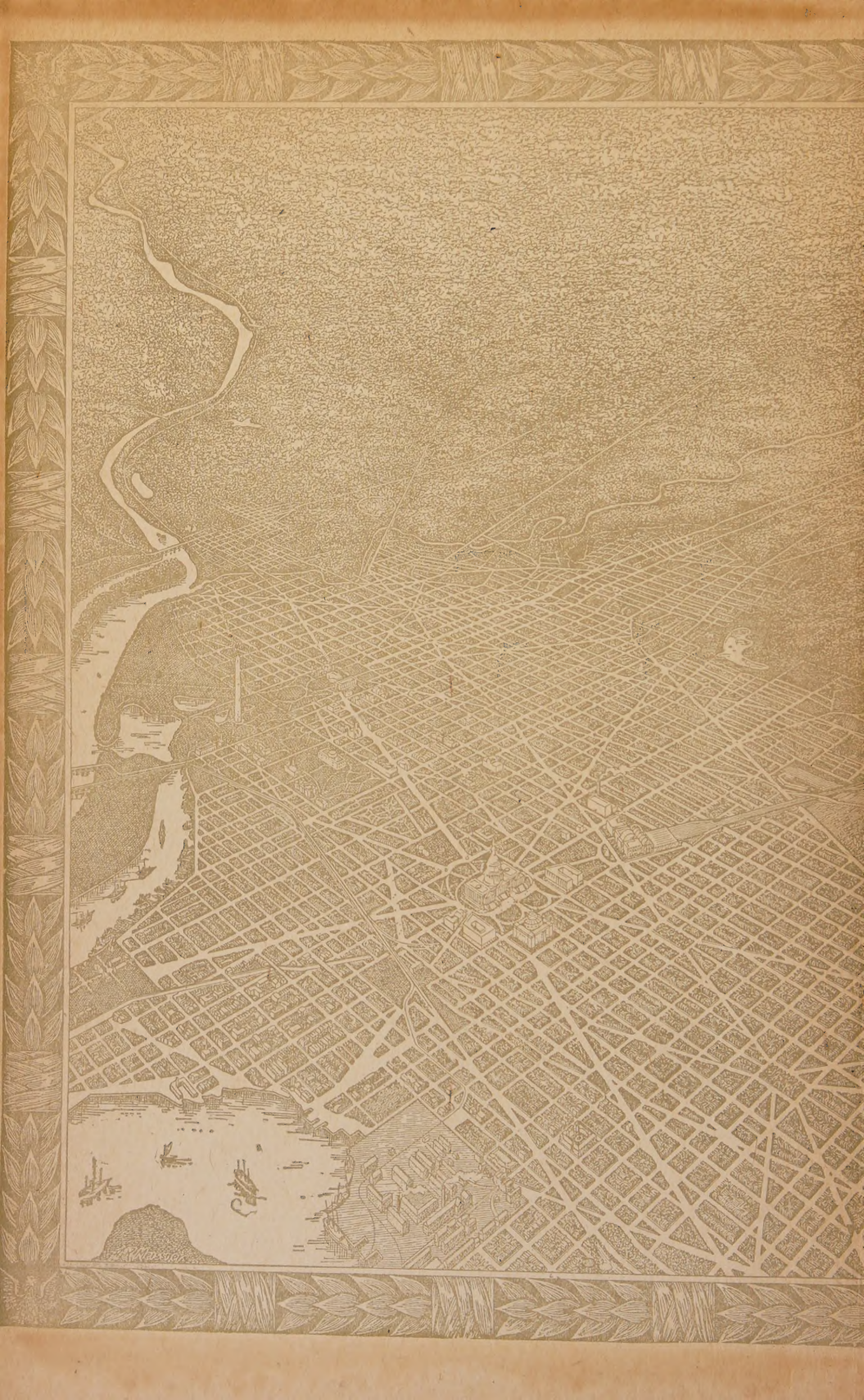
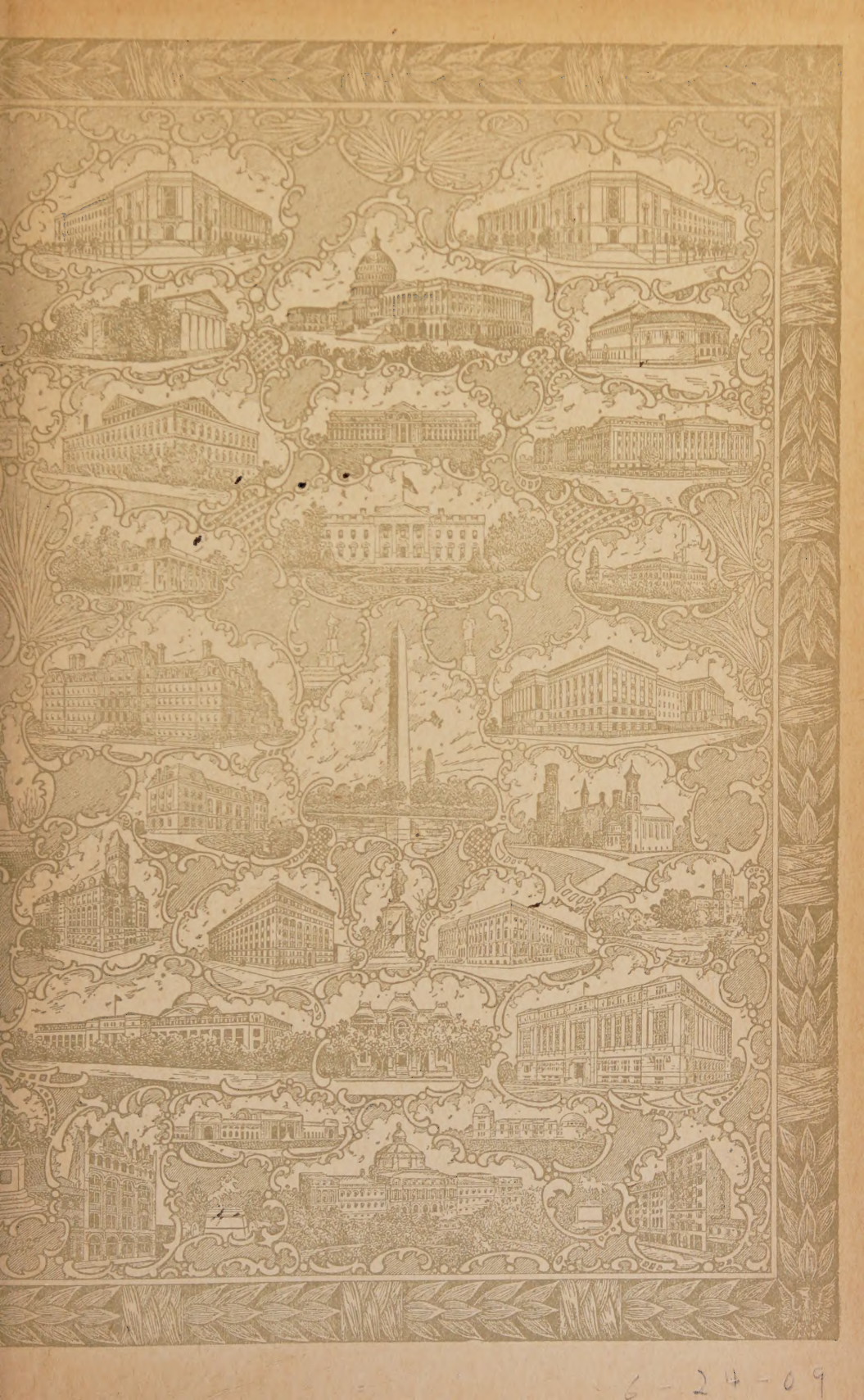
THE PRESIDENTS





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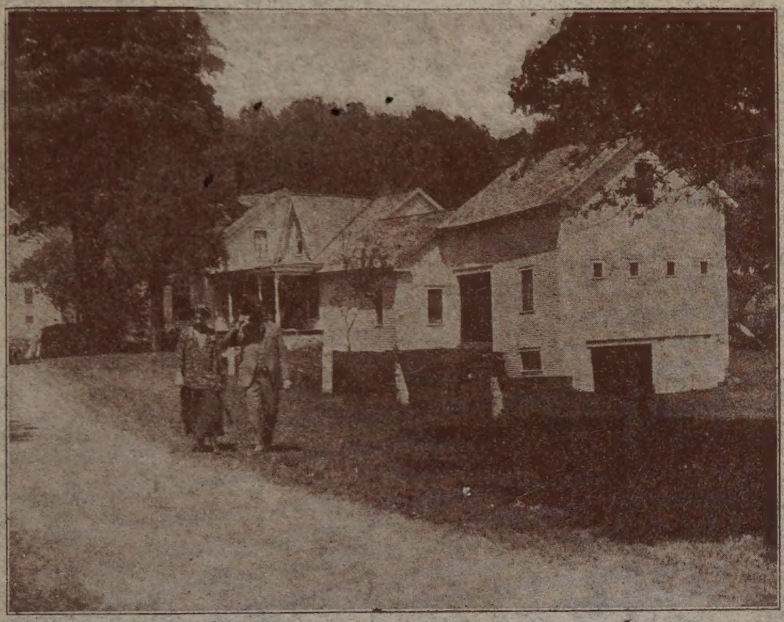
Calvin Coolidge



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CALVIN COOLIDGE AND MRS. COOLIDGE
IN FRONT OF THE FORMER'S BIRTHPLACE

CALVIN COOLIDGE AND MRS. COOLIDGE
IN FRONT OF THE FORMER'S BIRTHPLACE

SUPPLEMENT

TO THE

MESSAGES AND PAPERS OF THE PRESIDENTS

COVERING THE SECOND ADMINISTRATION OF

CALVIN COOLIDGE

MARCH 4, 1925, TO MARCH 4, 1929

WITH INDEX

(The pages start with 9481 for the reason that this volume is printed from the plates used in printing the regular up-to-date edition of Messages and Papers of the Presidents.)

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GRACE GOODHUE COOLIDGE

Grace Anna Goodhue was born in Burlington, Vermont, on January 3, 1879. She was educated in the public schools of Burlington and at the University of Vermont, from which she was graduated in 1902 with the degree of Ph. B. At college, she was very active in student activities, singing in the University Glee Club and winning applause in college theatricals, especially Shakespearean rôles. She was a member of Phi Beta Phi sorority. After graduation, she taught in a school for the deaf in Northampton, Massachusetts, where she met Calvin Coolidge, to whom she was married on October 4, 1905. Mrs. Coolidge continued her interest in education after marriage and personally investigated educational institutions in Washington while residing there as the wife of the Vice President of the United States. Washington found her entering with zest into social activities, especially dancing, ice-skating and the theatre, and thus serving as an admirable complement to her husband, inclined to be diffident toward formal social life.

INAUGURAL ADDRESS, MARCH 4, 1925

MY COUNTRYMEN:

No one can contemplate current conditions without finding much that is satisfying and still more that is encouraging. Our own country is leading the world in the general readjustment to the results of the great conflict. Many of its burdens will bear heavily upon us for years, and the secondary and indirect effects we must expect to experience for some time. But we are beginning to comprehend more definitely what course should be pursued, what remedies ought to be applied, what actions should be taken for our deliverance, and are clearly manifesting a determined will faithfully and conscientiously to adopt these methods of relief. Already we have sufficiently rearranged our domestic affairs so that confidence has returned, business has revived, and we appear to be entering an era of prosperity which is gradually reaching into every part of the nation. Realizing that we can not live unto ourselves alone, we have contributed of our resources and our counsel to the relief of the suffering and the settlement of the disputes among the European nations. Because of what America is and what America has done, a firmer courage, a higher hope, inspires the heart of all humanity.

These results have not occurred by mere chance. They have been secured by a constant and enlightened effort marked by many sacrifices and extending over many generations. We can not continue these brilliant successes in the future, unless we continue to learn from the past. It is necessary to keep the former experiences of our country both at home and abroad continually before us, if we are to have any science of government. If we wish to erect new structures, we must have a definite knowledge of the old foundations. We must realize that human nature is about the most constant thing in the universe and that the essentials of human relationship do not change. We must frequently take our bearings from these fixed stars of our political firmament if we expect to hold a true course. If we examine carefully what we have done, we can determine the more accurately what we can do.

We stand at the opening of the one hundred and fiftieth year since our national consciousness first asserted itself by unmistakable action with an array of force. The old sentiment of detached and dependent colonies disappeared in the new sentiment of a united and independent nation. Men began to discard the narrow confines of a local charter for the broader opportunities of a national constitution. Under the eternal urge of freedom we became an independent nation. A little less than 50 years later that freedom and independence were reasserted in the face of all the world, and guarded, supported, and secured by the Monroe Doctrine. The narrow fringe of states along the Atlantic seaboard advanced its frontiers across the hills and plains of an intervening

continent until it passed down the golden slope to the Pacific. We made freedom a birthright. We extended our domain over distant islands in order to safeguard our own interests and accepted the consequent obligation to bestow justice and liberty upon less favored peoples. In the defense of our own ideals and in the general cause of liberty we entered the Great War. When victory had been fully secured, we withdrew to our own shores unrecompensed save in the consciousness of duty done.

Throughout all these experiences we have enlarged our freedom, we have strengthened our independence. We have been, and propose to be, more and more American. We believe that we can best serve our own country and most successfully discharge our obligations to humanity by continuing to be openly and candidly, intensely and scrupulously, American. If we have any heritage, it has been that. If we have any destiny, we have found it in that direction.

But if we wish to continue to be distinctively American, we must continue to make that term comprehensive enough to embrace the legitimate desires of a civilized and enlightened people determined in all their relations to pursue a conscientious and religious life. We can not permit ourselves to be narrowed and dwarfed by slogans and phrases. It is not the adjective, but the substantive, which is of real importance. It is not the name of the action, but the result of the action, which is the chief concern. It will be well not to be too much disturbed by the thought of either isolation or entanglement of pacifists and militarists. The physical configuration of the earth has separated us from all of the Old World, but the common brotherhood of man, the highest law of all our being, has united us by inseparable bonds with all humanity. Our country represents nothing but peaceful intentions toward all the earth, but it ought not to fail to maintain such a military force as comports with the dignity and security of a great people. It ought to be a balanced force, intensely modern, capable of defense by sea and land, beneath the surface and in the air. But it should be so conducted that all the world may see in it, not a menace, but an instrument of security and peace.

This nation believes thoroughly in an honorable peace under which the rights of its citizens are to be everywhere protected. It has never found that the necessary enjoyment of such a peace could be maintained only by a great and threatening array of arms. In common with other nations, it is now more determined than ever to promote peace through friendliness and good will, through mutual understandings and mutual forbearance. We have never practiced the policy of competitive armaments. We have recently committed ourselves by covenants with the other great nations to a limitation of our sea power. As one result of this, our navy ranks larger, in comparison, than it ever did before.

Removing the burden of expense and jealousy, which must always accrue from a keen rivalry, is one of the most effective methods of diminishing that unreasonable hysteria and misunderstanding which is the most potent means of fomenting war. This policy represents a new departure in the world. It is a thought, an ideal, which has led to an entirely new line of action. It will not be easy to maintain. Some never moved from their old position, some are constantly slipping back to the old ways of thought and the old action of seizing a musket and relying on force. America has taken the lead in this new direction, and that lead America must continue to hold. If we expect others to rely on our fairness and justice we must show that we rely on their fairness and justice.

If we are to judge by past experience, there is much to be hoped for in international relations from frequent conferences and consultations. We have before us the beneficial results of the Washington Conference and the various consultations recently held upon European affairs, some of which were in response to our suggestions and in some of which we were active participants. Even the failures can not but be accounted useful and an immeasurable advance over threatened or actual warfare. I am strongly in favor of a continuation of this policy, whenever conditions are such that there is even a promise that practical and favorable results might be secured.

In conformity with the principle that a display of reason rather than a threat of force should be the determining factor in the intercourse among nations, we have long advocated the peaceful settlement of disputes by methods of arbitration and have negotiated many treaties to secure that result. The same considerations should lead to our adherence to the Permanent Court of International Justice. Where great principles are involved, where great movements are under way which promise much for the welfare of humanity by reason of the very fact that many other nations have given such movements their actual support, we ought not to withhold our own sanction because of any small and inessential difference, but only upon the ground of the most important and compelling fundamental reasons. We can not barter away our independence or our sovereignty, but we ought to engage in no refinements of logic, no sophistries, and no subterfuges, to argue away the undoubted duty of this country by reason of the might of its numbers, the power of its resources, and its position of leadership in the world, actively and comprehensively to signify its approval and to bear its full share of the responsibility of a candid and disinterested attempt at the establishment of a tribunal for the administration of even-handed justice between nation and nation. The weight of our enormous influence must be cast upon the side of a reign not of force but of law and trial, not by battle but by reason.

We have never any wish to interfere in the political conditions of any other countries. Especially are we determined not to become implicated in the political controversies of the Old World. With a great deal of hesitation, we have responded to appeals for help to maintain order, protect life and property, and establish responsible government in some of the small countries of the Western Hemisphere. Our private citizens have advanced large sums of money to assist in the necessary financing and relief of the Old World. We have not failed, nor shall we fail to respond, whenever necessary to mitigate human suffering and assist in the rehabilitation of distressed nations. These, too, are requirements which must be met by reason of our vast powers and the place we hold in the world.

Some of the best thought of mankind has long been seeking for a formula for permanent peace. Undoubtedly the clarification of the principles of international law would be helpful, and the efforts of scholars to prepare such a work for adoption by the various nations should have our sympathy and support. Much may be hoped for from the earnest studies of those who advocate the outlawing of aggressive war. But all these plans and preparations, these treaties and covenants, will not of themselves be adequate. One of the greatest dangers to peace lies in the economic pressure to which people find themselves subjected. One of the most practical things to be done in the world is to seek arrangements under which such pressure may be removed, so that opportunity may be renewed and hope may be revived. There must be some assurance that effort and endeavor will be followed by success and prosperity. In the making and financing of such adjustments there is not only an opportunity, but a real duty, for America to respond with her counsel and her resources. Conditions must be provided under which people can make a living and work out of their difficulties. But there is another element, more important than all, without which there can not be the slightest hope of a permanent peace. That element lies in the heart of humanity. Unless the desire for peace be cherished there, unless this fundamental and only natural source of brotherly love be cultivated to its highest degree, all artificial efforts will be in vain. Peace will come when there is realization that only under a reign of law, based on righteousness and supported by the religious conviction of the brotherhood of man, can there be any hope of a complete and satisfying life. Parchment will fail, the sword will fail, it is only the spiritual nature of man that can be triumphant.

It seems altogether probable that we can contribute most to these important objects by maintaining our position of political detachment and independence. We are not identified with any Old World interests. This position should be made more and more clear in our relations with all foreign countries. We are at peace with all of them. Our program

is never to oppress, but always to assist. But while we do justice to others, we must require that justice be done to us. With us a treaty of peace means peace, and a treaty of amity means amity. We have made great contributions to the settlement of contentious differences in both Europe and Asia. But there is a very definite point beyond which we can not go. We can only help those who help themselves. Mindful of these limitations, the one great duty that stands out requires us to use our enormous powers to trim the balance of the world.

While we can look with a great deal of pleasure upon what we have done abroad, we must remember that our continued success in that direction depends upon what we do at home. Since its very outset, it has been found necessary to conduct our Government by means of political parties. That system would not have survived from generation to generation if it had not been fundamentally sound and provided the best instrumentalities for the most complete expression of the popular will. It is not necessary to claim that it has always worked perfectly. It is enough to know that nothing better has been devised. No one would deny that there should be full and free expression and an opportunity for independence of action within the party. There is no salvation in a narrow and bigoted partisanship. But if there is to be responsible party government, the party label must be something more than a mere device for securing office. Unless those who are elected under the same party designation are willing to assume sufficient responsibility and exhibit sufficient loyalty and coherence, so that they can cooperate with each other in the support of the broad general principles of the party platform, the election is merely a mockery, no decision is made at the polls, and there is no representation of the popular will. Common honesty and good faith with the people who support a party at the polls require that party, when it enters office, to assume the control of that portion of the Government to which it has been elected. Any other course is bad faith and a violation of the party pledges.

When the country has bestowed its confidence upon a party by making it a majority in the Congress, it has a right to expect such unity of action as will make the party majority an effective instrument of government. This Administration has come into power with a very clear and definite mandate from the people. The expression of the popular will in favor of maintaining our constitutional guarantees was overwhelming and decisive. There was a manifestation of such faith in the integrity of the courts that we can consider that issue rejected for some time to come. Likewise, the policy of public ownership of railroads and certain electric utilities met with unmistakable defeat. The people declared that they wanted their rights to have not a political but a judicial determination, and their independence and freedom continued and supported by having the ownership and control of their property, not in the Government, but

in their own hands. As they always do when they have a fair chance, the people demonstrated that they are sound and are determined to have a sound government.

When we turn from what was rejected to inquire what was accepted, the policy that stands out with the greatest clearness is that of economy in public expenditure with reduction and reform of taxation. The principle involved in this effort is that of conservation. The resources of this country are almost beyond computation. No mind can comprehend them. But the cost of our combined governments is likewise almost beyond definition. Not only those who are now making their tax returns, but those who meet the enhanced cost of existence in their monthly bills, know by hard experience what this great burden is and what it does. No matter what others may want, these people want a drastic economy. They are opposed to waste. They know that extravagance lengthens the hours and diminishes the rewards of their labor. I favor the policy of economy, not because I wish to save money, but because I wish to save people. The men and women of this country who toil are the ones who bear the cost of the Government. Every dollar that we carelessly waste means that their life will be so much the more meager. Every dollar that we prudently save means that their life will be so much the more abundant. Economy is idealism in its most practical form.

If extravagance were not reflected in taxation, and through taxation both directly and indirectly injuriously affecting the people, it would not be of so much consequence. The wisest and soundest method of solving our tax problem is through economy. Fortunately, of all the great nations this country is best in a position to adopt that simple remedy. We do not any longer need war-time revenues. The collection of any taxes which are not absolutely required, which do not beyond reasonable doubt contribute to the public welfare, is only a species of legalized larceny. Under this republic the rewards of industry belong to those who earn them. The only constitutional tax is the tax which ministers to public necessity. The property of the country belongs to the people of the country. Their title is absolute. They do not support any privileged class; they do not need to maintain great military forces; they ought not to be burdened with a great array of public employees. They are not required to make any contribution to Government expenditures except that which they voluntarily assess upon themselves through the action of their own representatives. Whenever taxes become burdensome a remedy can be applied by the people; but if they do not act for themselves, no one can be very successful in acting for them.

The time is arriving when we can have further tax reduction, when, unless we wish to hamper the people in their right to earn a living, we must have tax reform. The method of raising revenue ought not to impede the transaction of business; it ought to encourage it. I am opposed to extremely high rates, because they produce little or no

revenue, because they are bad for the country, and, finally, because they are wrong. We can not finance the country, we can not improve social conditions, through any system of injustice, even if we attempt to inflict it upon the rich. Those who suffer the most harm will be the poor. This country believes in prosperity. It is absurd to suppose that it is envious of those who are already prosperous. The wise and correct course to follow in taxation and all other economic legislation is not to destroy those who have already secured success but to create conditions under which every one will have a better chance to be successful. The verdict of the country has been given on this question. That verdict stands. We shall do well to heed it.

These questions involve moral issues. We need not concern ourselves much about the rights of property if we will faithfully observe the rights of persons. Under our institutions their rights are supreme. It is not property but the right to hold property, both great and small, which our Constitution guarantees. All owners of property are charged with a service. These rights and duties have been revealed, through the conscience of society, to have a divine sanction. The very stability of our society rests upon production and conservation. For individuals or for governments to waste and squander their resources is to deny these rights and disregard these obligations. The result of economic dissipation to a nation is always moral decay.

These policies of better international understandings, greater economy, and lower taxes have contributed largely to peaceful and prosperous industrial relations. Under the helpful influences of restrictive immigration and a protective tariff, employment is plentiful, the rate of pay is high, and wage earners are in a state of contentment seldom before seen. Our transportation systems have been gradually recovering and have been able to meet all the requirements of the service. Agriculture has been very slow in reviving, but the price of cereals at last indicates that the day of its deliverance is at hand.

We are not without our problems, but our most important problem is not to secure new advantages but to maintain those which we already possess. Our system of government made up of three separate and independent departments, our divided sovereignty composed of Nation and State, the matchless wisdom that is enshrined in our Constitution, all these need constant effort and tireless vigilance for their protection and support.

In a republic the first rule for the guidance of the citizen is obedience to law. Under a despotism the law may be imposed upon the subject. He has no voice in its making, no influence in its administration, it does not represent him. Under a free government the citizen makes his own laws, chooses his own administrators, which do represent him. Those who want their rights respected under the Constitution and the law ought to set the example themselves of observing the Constitution and the law.

While there may be those of high intelligence who violate the law at times, the barbarian and the defective always violate it. Those who disregard the rules of society are not exhibiting a superior intelligence, are not promoting freedom and independence, are not following the path of civilization, but are displaying the traits of ignorance, or servitude, of savagery, and treading the way that leads back to the jungle.

The essence of a republic is representative government. Our Congress represents the people and the states. In all legislative affairs it is the natural collaborator with the President. In spite of all the criticism which often falls to its lot, I do not hesitate to say that there is no more independent and effective legislative body in the world. It is, and should be, jealous of its prerogative. I welcome its cooperation, and expect to share with it not only the responsibility, but the credit, for our common effort to secure beneficial legislation.

These are some of the principles which America represents. We have not by any means put them fully into practice, but we have strongly signified our belief in them. The encouraging feature of our country is not that it has reached its destination, but that it has overwhelmingly expressed its determination to proceed in the right direction. It is true that we could, with profit, be less sectional and more national in our thought. It would be well if we could replace much that is only a false and ignorant prejudice with a true and enlightened pride of race. But the last election showed that appeals to class and nationality had little effect. We were all found loyal to a common citizenship. The fundamental precept of liberty is toleration. We can not permit any inquisition either within or without the law or apply any religious test to the holding of office. The mind of America must be forever free.

It is in such contemplations, my fellow countrymen, which are not exhaustive but only representative, that I find ample warrant for satisfaction and encouragement. We should not let the much that is to do obscure the much which has been done. The past and present show faith and hope and courage fully justified. Here stands our country, an example of tranquillity at home, a patron of tranquillity abroad. Here stands its Government, aware of its might but obedient to its conscience. Here it will continue to stand, seeking peace and prosperity, solicitous for the welfare of the wage earner, promoting enterprise, developing waterways and natural resources, attentive to the intuitive counsel of womanhood, encouraging education, desiring the advancement of religion, supporting the cause of justice and honor among the nations. America seeks no earthly empire built on blood and force. No ambition, no temptation, lures her to thought of foreign dominions. The legions which she sends forth are armed, not with the sword, but with the cross. The higher state to which she seeks the allegiance of all mankind is not of human, but of divine origin. She cherishes no purpose save to merit the favor of Almighty God.

By the President of the United States of America

A PROCLAMATION

[International Trade Exhibition at New Orleans, Louisiana.]

Whereas, by a Joint Resolution approved March 3, 1925, "the President of the United States is authorized to invite by proclamation, or in such other manner as he may deem proper, the States of the Union and all foreign countries to participate in the proposed permanent exhibition to be held by the International Trade Exhibition at New Orleans, Louisiana, beginning September 15, 1925, for the purpose of exhibiting samples of fabricated and raw products of all countries and bringing together buyers and sellers for promotion of trade and commerce in such products";

Now, Therefore, I, Calvin Coolidge, President of the United States of America, in pursuance of the said Joint Resolution, do hereby invite the States of the Union and all foreign countries to participate in the Exhibition mentioned by exhibiting samples of their fabricated and raw products.

In testimony whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this ninth day of March, in the year of Our Lord one thousand nine hundred and twenty-
[SEAL] five and of the Independence of the United States of America the one hundred and forty-ninth.

CALVIN COOLIDGE.

By the President:

Frank B. Kellogg, *Secretary of State.*

EXECUTIVE ORDER

[Transfer of Patent Office to Commerce Department.]

The White House, *March 17, 1925.*

I, Calvin Coolidge, President of the United States of America, under the authority conferred upon me by Act of February 14, 1903, entitled "An Act to establish the Department of Commerce and Labor" (32 Stat. 826), and by virtue of all other powers thereto me enabling, do hereby transfer from the Department of the Interior to the Department of Commerce, to be administered under the supervision of the Secretary of Commerce, the United States Patent Office, together with all appropriations, the records and all public property of said service in the District of Columbia or elsewhere, as provided in the Act of

February 14, 1903, supra. The transfer above mentioned shall be effective from and including April 1, 1925.

CALVIN COOLIDGE.

By the President of the United States of America

A PROCLAMATION

[Sesquicentennial Exhibition at Philadelphia, 1926.]

Whereas, by a Joint Resolution approved August 29, 1922, the President was requested to invite the participation and cooperation of the States of the Union and the nations of the world in an International Exhibition, to be held at Philadelphia, Pennsylvania, from June 1 to November 30, 1926, in celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence, and for the purpose of exhibiting the progress of the United States and other nations in art, science, and industry, in trade and commerce, and in the development of the products of the air, the soil, the mine, the forest, and the seas;

And, Whereas, a Joint Resolution of Congress, approved March 3, 1925, provides for the cooperation and participation of the United States in the said Exhibition;

Now, Therefore, I, Calvin Coolidge, President of the United States of America, by virtue of the legislation aforesaid, do hereby invite the States of the Union and all foreign countries to cooperate and participate in the Exhibition mentioned by appointing representatives and sending thereto such exhibits as will most fitly and fully illustrate their resources, their industries and their progress in civilization.

In testimony whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this nineteenth day of March, in the year of Our Lord one thousand nine hundred and twenty-
[SEAL] five and of the Independence of the United States of America the one hundred and forty-ninth.

CALVIN COOLIDGE.

By the President:

FRANK B. KELLOGG, *Secretary of State.*

ADDRESS

[Laying of Cornerstone of Jewish Community Centre, Washington, D. C., May 3, 1925.]

We have gathered this afternoon to lay with appropriate ceremony and solemnity the cornerstone of a temple. The splendid structure

which is to rise here will be the home of the Jewish Community Centre of Washington. It will be at once a monument to the achievements of the past and a help in the expansion of these achievements into a wider field of usefulness in the future. About this institution will be organized, and from it will be radiated, the influences of those civic works in which the genius of the Jewish people has always found such eloquent expression. Such an establishment, so noble in its physical proportions, so generous in its social purposes, is truly a part of the civic endowment of the nation's capital. Beyond that, its existence here at the seat of the national Government makes it in a peculiar way a testimony and an example before the entire country.

This year 1925 is a year of national anniversaries. States, cities and towns throughout all the older part of the country will be celebrating their varied parts in the historic events which a century and a half ago marked the beginning of the American Revolution. It will be a year of dedications and rededications. It will recall the heroic events from which emerged a great modern nation consecrated to liberty, equality, and human rights. It will remind us, as a nation, of how a common spiritual inspiration was potent to bring and mold and weld together into a national unity the many and scattered colonial communities that had been planted along the Atlantic seaboard.

In a time when the need of that unification, understanding and tolerance which are necessary to a national spirit is so great, it will recall the fact that the fathers not only confronted these same problems in forms far more difficult than they are today but also solved them. Among the peoples of the thirteen colonies, there were few ties of acquaintance, of commercial or industrial interest. There were great differences in political sentiments, even within the local communities, while there were wide divergences among the several colonies, in origin, in religion, in social outlook.

If we would seek a fairly accurate impression of conditions at the beginning of the Revolution we must attempt a really continental view of North America as it was in 1775. The group of new-born commonwealths which we commonly refer to as "the original thirteen colonies," and which in our minds represent a considerable measure of nationality already achieved, did not in fact even know that they would be thirteen in number. No man, on the day of Lexington, could be altogether sure that the Revolution was more than a New England affair. It might or it might not draw the Middle and Southern colonies into its armed array of resistance. On the other hand, the thirteen might have been joined by Canada, which was British in sovereignty but chiefly French in population; by Florida and Louisiana, which were both mainly Spanish.

In short, there might have been fourteen or fifteen or sixteen original colonies participating in the North American Revolution against Europe, or there might have been less than a half-dozen of them. At that time France had no territory within continental North America. But this condition had existed for only a short time since the end of the Seven Years' War. France had by no means become reconciled to this exclusion from a part in the North American empire; and only a little later, in the year 1800, under a new treaty with Spain, resumed the sovereignty of the Mississippi Valley. Three years after this, benefiting by the fortunes of the Napoleonic wars, President Jefferson confronted and promptly seized the opportunity to buy Louisiana from Napoleon. Even then, many years were yet to pass before the last claims of Spain should be extinguished from this continent.

I have recounted these scraps of territorial history because unless we keep them in mind we shall not at all comprehend the task of unification, of nation building, that the Revolutionary Fathers undertook when they not only dared the power of Great Britain but set themselves against the tradition of the subordination to Europe of America. As we look back we realize that even among the colonies of England there were few and doubtful common concerns to bind them together. Their chief commercial interests were not among themselves but with the mother country across the Atlantic. New England was predominantly Puritan, the Southern colonies were basically Cavalier. New York was in the main Dutch. Pennsylvania had been founded by the Quakers, while New Jersey needed to go back but a short distance to find its beginnings in a migration from Sweden.

There were well-nigh as many divergencies of religious faiths as there were of origin, politics and geography. Yet, in the end, these religious differences proved rather unimportant. While the early dangers in some colonies made a unity in belief and all else a necessity to existence, at the bottom of the colonial character lay a stratum of religious liberalism which had animated most of the early comers. From its beginnings the new continent had seemed destined to be the home of religious tolerance. Those who claimed the right of individual choice for themselves finally had to grant it to others. Beyond that—and this was one of the factors which I think weighed heaviest on the side of unity—the Bible was the one work of literature that was common to all of them. The Scriptures were read and studied everywhere. There are many testimonies that their teachings became the most important intellectual and spiritual force for unification.

I remember to have read somewhere, I think in the writings of the historian Lecky, the observation that "Hebraic mortar cemented the foundations of American democracy." Lecky had in mind this very influence of the Bible in drawing together the feelings and sympathies

of the widely scattered communities. All the way from New Hampshire to Georgia they found a common ground of faith and reliance in scriptural writings. In those days books were few and even those of a secular character were largely the product of a scholarship which used the Scriptures as the model and standard of social interpretation. It was to this, of course, that Lecky referred. He gauged correctly a force too often underestimated and his observation was profoundly wise. It suggests, in a way which none of us can fail to understand, the debt which the young American nation owed to the sacred writing that the Hebrew people gave to the world.

This Biblical influence was strikingly impressive in all the New England colonies, and only less so in the others. In the Connecticut code of 1650 the Mosaic model is adopted. The magistrates were authorized to administer justice "according to the laws here established and, for want of them, according to the word of God." In the New Haven code of 1655 there were seventy-nine topical statutes for the Government, half of which contained references to the Old Testament. The founders of the New Haven colony, John Davenport and Theophilus Eaton, were expert Hebrew scholars. The extent to which they leaned upon the moral and administrative system laid down by the Hebrew lawgivers was responsible for their conviction that the Hebrew language and literature ought to be made as familiar as possible to all the people. So it was that John Davenport arranged that in the first public school in New Haven the Hebrew language should be taught.

The preachers of those days, saturated in the religion and literature of the Hebrew prophets, were leaders, teachers, moral mentors and even political philosophers for their flocks. A people raised under such leadership, given to much study and contemplation of the Scriptures, inevitably became more familiar with the great figures of Hebrew history—with Joshua, Samuel, Moses, Joseph, David, Solomon, Gideon, Elisha—than they were with the stories of their own ancestors as recorded in the pages of profane history. The sturdy old divines of those days found the Bible a chief source of illumination for their arguments in support of the patriot cause. They knew the Book. They were profoundly familiar with it, and eminently capable in the exposition of all its justifications for rebellion. To them, the record of the exodus from Egypt was indeed an inspired precedent. They knew what arguments from holy writ would most powerfully influence their people.

It required no great stretch of logical processes to demonstrate that the children of Israel, making bricks without straw in Egypt, had their modern counterpart in the people of the colonies, enduring the imposition of taxation without representation. And the Jews themselves, of whom a considerable number were already scattered throughout the

colonies, were true to the teachings of their own prophets. The Jewish faith is predominantly the faith of liberty. From the beginnings of the conflict between the colonies and the mother country, they were overwhelmingly on the side of the rising revolution. You will recognize them when I read the names of some among the merchants who unhesitatingly signed the non-importation resolution of 1765: Isaac Moses, Benjamin Levy, Samson Levy, David Franks, Joseph Jacobs, Hayman Levy, Jr., Matthias Bush, Michael Gratz, Bernard Gratz, Isaac Franks, Moses Mordecai, Benjamin Jacobs, Samuel Lyon and Manual Mordecai Noah.

Not only did the colonial Jews join early and enthusiastically in the non-intercourse program, but when the time came for raising and sustaining an army they were ready to serve wherever they could be most useful. There is a romance in the story of Haym Salomon, Polish Jew, financier of the Revolution. Born in Poland, he was made prisoner by the British forces in New York, and when he escaped set up in business in Philadelphia. He negotiated for Robert Morris all the loans raised in France and Holland, pledged his personal faith and fortune for enormous amounts, and personally advanced large sums to such men as James Madison, Thomas Jefferson, Baron Steuben, General St. Clair and many other patriot leaders, who testified that without his aid they could not have carried on in the cause.

A considerable number of Jews became officers in the Continental forces. The records show at least four Jews who served as Lieutenant Colonels, three as Majors and certainly six, probably more, as Captains. Major Benjamin Nones has been referred to as the Jewish Lafayette. He came from France in 1777, enlisted in the Continentals as a volunteer, served on the staffs of both Washington and Lafayette, and later was attached to the command of Baron de Kalb, in which were a number of Jews. When de Kalb was fatally wounded in the thickest of the fighting at the battle of Camden, the three officers who were at hand to bear him from the field were Major Nones, Captain de la Motta and Captain Jacob de Leon, all of them Jews. It is interesting to know that at the time of the Revolution there was a larger Jewish element in the Southern colonies than would have been found there at most later periods; and these Jews of the Carolinas and Georgia were ardent supporters of the Revolution. One corps of infantry raised in Charleston, S. C., was composed preponderantly of Jews, and they gave a splendid account of themselves in the fighting in that section.

It is easy to understand why a people with the historic background of the Jews should thus overwhelmingly have allied themselves with the cause of freedom. From earliest colonial times, America has been a new land of promise to this long-persecuted race. The Jewish community of the United States is not only the second most numerous in

the world, but in respect of its Old World origins it is probably the most cosmopolitan. But whatever their origin as a people, they have always come to us, eager to adapt themselves to our institutions, to thrive under the influence of liberty, to take their full part as citizens in building and sustaining the nation, and to bear their part in its defense, in order to make contribution to the national life fully worthy of the traditions they had inherited.

The institution for which we are today dedicating this splendid home is not a charity to minister to the body, but rather to the soul. The 14,000 Jews who live in this capital city have passed, under the favoring auspices of American institutions, beyond the need for any other benevolence. They are planting here a home for community service; fixing a centre from which shall go forth the radiations of united effort for advancement in culture, in education, in social opportunity. Here will be the seat of organized influence for the preservation and dissemination of all that is best and most useful, of all that is leading and enlightening, in the culture and philosophy of this "peculiar people" who have so greatly given to the advancement of humanity.

Our country has done much for the Jews who have come here to accept its citizenship and assume their share of its responsibilities in the world. But I think the greatest thing it has done for them has been to receive them and treat them precisely as it has received and treated all others who have come to it. If our experiment in free institutions has proved anything, it is that the greatest privilege that can be conferred upon people in the mass is to free them from the demoralizing influence of privilege enjoyed by the few. This is proved by the experience here, not alone of the Jews, but of all the other racial and national elements that have entered into the making of this nation. We have found that when men and women are left free to find the places for which they are best fitted, some few of them will indeed attain less exalted stations than under a régime of privilege; but the vast multitude will rise to a higher level, to wider horizons, to worthier attainments. To go forward on the same broadening lines that have marked the national development thus far must be our aim. It is an easy thing to say, but not so simple to do. There is no straight and smooth and posted highway into the vast, dim realm of the tomorrows. There are bogs and morasses, blind roads and bad detours.

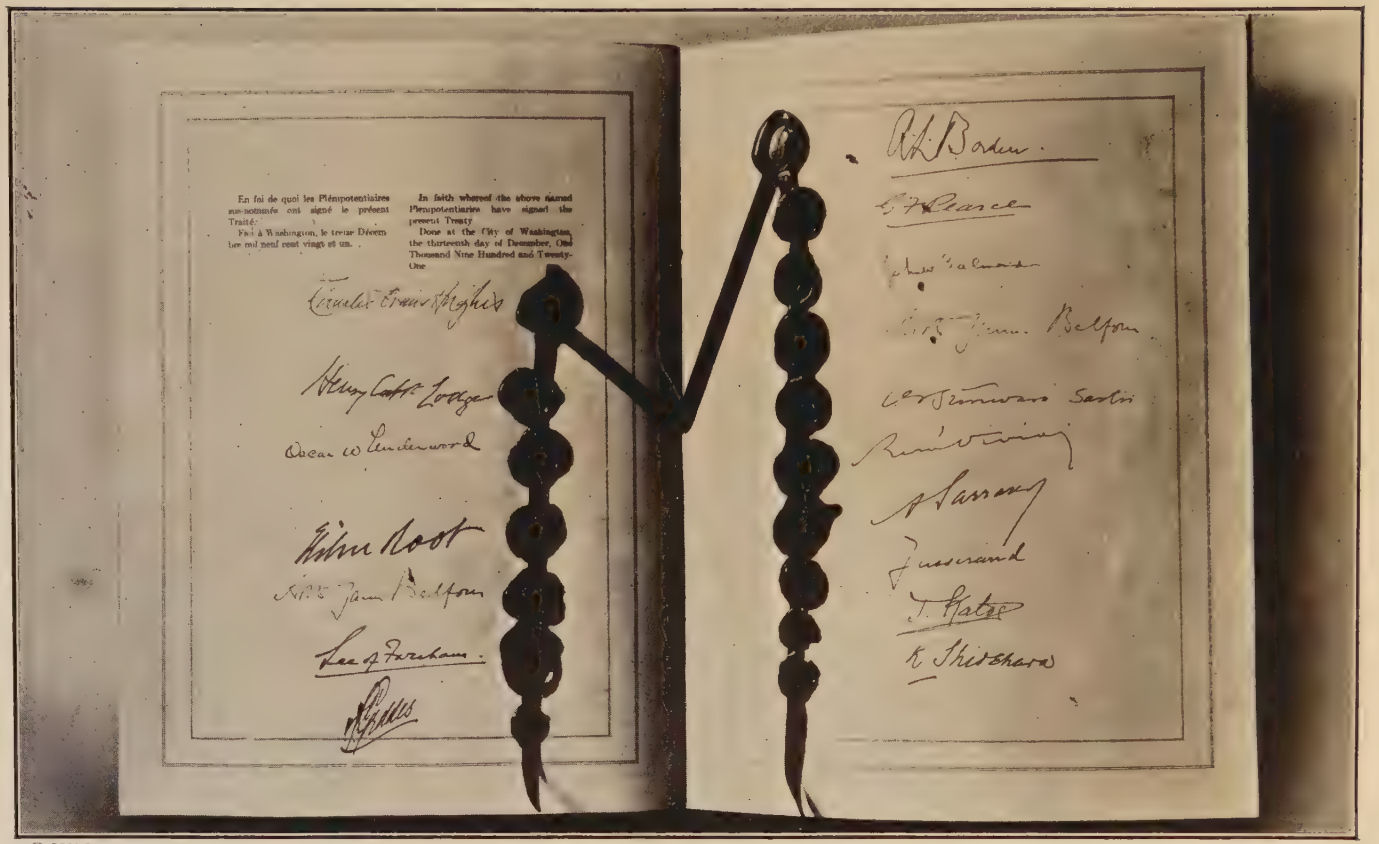
No philosophy of history has ever succeeded in charting accurately the day of the future. No science of social engineering has been able to build wide and easy roads by which to bring up the van of human progress in sure and easy marches. The race is always pioneering. It always has been and always must be. It dare not tire of unending effort and repeated disappointments. It must not in any moment of weariness or inertia cease from pressing on. Least of all can be indulge the

satisfactions of complacency, imagining that the sum of useful progress has been attained. The community or the civilization that ceases to progress begins that hour to recede. The work of spiritual unification is not completed. Factional, sectional, social and political lines of conflict yet persist. Despite all experience, society continues to engender the hatreds and jealousies whereof are born domestic strife and international conflicts. But education and enlightenment are breaking their force. Reason is emerging.

Every inheritance of the Jewish people, every teaching of their secular history and religious experience, draws them powerfully to the side of charity, liberty and progress. They have always been arrayed on this side, and we may be sure they will not desert it. Made up of so many diverse elements, our country must cling to those fundamentals that have been tried and proved as buttresses of national solidarity. It must be our untiring effort to maintain, to improve, and, so far as may be humanly possible, to perfect those institutions which have proved capable of guaranteeing our unity, and strengthening us in advancing the estate of the common man.

This edifice which you are rearing here is a fine example for other communities. It speaks a purpose to uphold an ancient and noble philosophy of life and living, and yet to assure that such philosophy shall always be adapted to the requirements of changing times, increasing knowledge and developing institutions. It is a guarantee that you will keep step with liberty. This capacity for adaptation in detail, without sacrifice of essentials, has been one of the special lessons which the marvelous history of the Jewish people has taught. It is a lesson which our country, and every country based on the principle of popular government, must learn and apply, generation by generation, year by year, yes, even day by day. You are raising here a testimonial to the capacity of the Jewish people to do this.

In the advancing years, as those who come and go shall gaze upon this civic and social landmark, may it be a constant reminder of the inspiring service that has been rendered to civilization by men and women of the Jewish faith. May they recall the long array of those who have been eminent in statecraft, in science, in literature, in art, in the professions, in business, in finance, in philanthropy and in the spiritual life of the world. May they pause long enough to contemplate that the patriots who laid the foundation of this Republic drew their faith from the Bible. May they give due credit to the people among whom the Holy Scriptures came into being. And as they ponder the assertion that "Hebraic mortar cemented the foundations of American democracy," they cannot escape the conclusion that if American democracy is to remain the greatest hope of humanity it must continue abundantly in the faith of the Bible.


En foi de quoi les Plénipotentiaires
susnommés ont signé le présent
Traité.
Fait à Washington, le treize Décem
bre mil neuf cent vingt et un.
In faith whereof the above named
Plenipotentiaries have signed the
present Treaty
Done at the City of Washington,
the thirteenth day of December, One
Thousand Nine Hundred and Twenty-
One

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FACSIMILE, SIGNATURES TO THE "FOUR POWER" TREATY

THE ARMAMENT LIMITATION CONFERENCE

The limit on competitive construction of large warships fixed upon the great naval Powers of the World by the Naval Limitation Treaty is explained on pages 9076 to 9087. The text of the so-called Four Power Treaty, the signatures to which are shown in the illustration, is on pages 9051 and 9052, and the reservation added by the United States Senate in ratifying, on page 9088. All the important treaties arising from the Conference will be found in the preceding and the following pages and an impartial estimate of the Conference's successes and failures will be found in the Encyclopedic Index under "Armament Limitation Conference." A view of the official opening of the Conference will be found opposite another page.

EXECUTIVE ORDER

[Waiver or Reduction of Application and Visa Fees for Non-Immigrants.]

THE WHITE HOUSE, *May 15, 1925.*

By virtue of the authority vested in me by the Act of Congress approved February 25, 1925, entitled "An Act to Authorize the President in Certain Cases to Modify Visa Fees," I hereby prescribe the following regulations governing the fees to be required of aliens who are not immigrants as defined in the Immigration Act of 1924 and who are citizens or subjects of countries making similar concessions to citizens of the United States.

The Secretary of State is hereby authorized to conclude an agreement, by exchange of notes, with any foreign country whereby citizens or subjects of such country who are not immigrants as defined in the Immigration Act of 1924, may receive passport visas for visiting the United States without payment of the application and visa fees prescribed in the Act of June 4, 1920, or upon payment of a reduced fee, in consideration of a waiver of visas or visa fees or reduction of fees being made for citizens of the United States of a similar class visiting such other country.

Upon the conclusion of any such agreement the fee charges specified therein shall become effective, when and as provided therein, as if specifically stated in this order. CALVIN COOLIDGE.

MEMORIAL DAY ADDRESS

[Arlington National Cemetery, May 30, 1925.]

For those who are the inheritors of a noble estate and a high place in the world, it is a good thing to pause at intervals and consider by what favor of fortune and of ancestry their lines have fallen in such pleasant places. Thus to meditate upon that course of events, which has given them what they have and made them what they are, will tend to remind them how great is their debt and how little is their share of merit.

This is the day on which the American people each year acknowledge that they have such a debt. It has been set aside that a grateful nation may do fitting honor to the memory of those who have made the greatest and most voluntary contribution to it. Here about us, in this place of beauty and reverence, lies the mortal dust of a noble host, to whom we have come to pay our tribute, as thousands of other like gatherings will do throughout our land. In their youth and strength, their love and loyalty, those who rest here gave to their country all that mor-

tality can give. For what they sacrificed we must give back the pledge of faith to all that they held dear, constantly renewed, constantly justified. Doing less would betray them and dishonor us.

To such a memorial as exists here we can only come in a spirit of humility and of gratitude. We can not hope to repay those whom we are assembled to honor. They were moved by a noble conception of human possibilities and human destiny. But we can undertake to find what was their inspiration and seek to make it our guide. By that they will be recompensed.

These who are represented here were men in whom courage had reached a high moral quality. They had been brave enough not to shrink from looking at facts and institutions. They had been honest enough to admit that they saw there much that was not good. They glossed over no wrongs, they hid away no skeletons. They did not pretend that wrong was right or ever could be right. They had put much thought to the lessons of hard experience, and had frankly acknowledged that they must deal with a crisis in the nation's life. They were sure that union was a blessing, that slavery was a wrong, and that domestic war was the supreme human tragedy. This settled, they saw that one of three courses must be taken. They could have had peace with disunion, or they could have had peace and union, with slavery. Freedom with union, they saw at last, meant war. We know how they decided. We know at what fearful cost they supported their decision.

We live far enough away from those times of test and trial to know that sincerity and honesty did not all lie on either side. We know the conflicts of loyalties, traditions, ancestry, and interest which drew men to one side and the other. I doubt if there ever was another so great and elemental a conflict from which men emerged with so much of mutual respect, with so little of bitterness and lingering hostility. The struggle brought the whole nation at last to see that its only assurance was in unity. United, it could go its way in all security; divided, both sections becoming the prey of jealousy and intrigue, would have dissipated all the power they now have for good in the world.

Our generation has recently lived through times still so vivid as to seem but as yesterday, which have taught us deeply to appreciate the value of union in purpose and effort. We have come to see as through a crystal that in the national variety of talents and resources, of cultures and capacities, of climates and of soils, of occupations and of interests, lies the guaranty of both our power and our authority. More than that, they have taught us how heavy and important is our responsibility in the world.

Conscious of a strength which removes us from either fear or truculence, satisfied with dominions and resources which free us from lust of territory or empire, we see that our highest interest will be promoted

by the prosperity and progress of our neighbors. We recognize that what has been accomplished here has largely been due to the capacity of our people for efficient cooperation. We shall continue prosperous at home and helpful abroad, about as we shall maintain and continually adapt to changing conditions the system under which we have come thus far. I mean our federal system, distributing powers and responsibilities between the states and the national government. For that is the greatest American contribution to the organization of government over great populations and wide areas. It is the essence of practical administration for a nation placed as ours is. It has become so commonplace to us, and a pattern by so many other peoples, that we do not always realize how great an innovation it was when first formulated, or how great the practical problems which its operation involves. Because of my conviction that some of these problems are at this time in need of deeper consideration, I shall take this occasion to try to turn the public mind in that direction.

When dealing with the distribution of powers between the general government and the states, Chief Justice Marshall declared:

> When the American people created a national legislature with certain powers, it was neither necessary nor proper to define the powers reserved by the States. Those powers proceed, not from the people of America, but from the people of the several States, and remain after the adoption of the Constitution what they were before, except so far as they may be abridged by that instrument.

Our constitutional history started with the states retaining all powers of sovereignty unimpaired, save those conferred upon the national Government. The evolution of the constitutional system has consisted largely in determining the line of demarcation between state and national authority. The cases involved are many and complicated, but there is a fairly good popular understanding of this continuing struggle between these contending sovereignties. Because of better communication and transportation, the constant tendency has been to more and more social and economic unification. The present continent-wide union of 48 states is much closer than was the original group of 13 states.

This increasing unification has well-nigh obliterated state lines so far as concerns many relations of life. Yet, in a country of such enormous expanse, there must always be certain regional differences in social outlook and economic thought. The most familiar illustration of this is found in the history of slavery. The Constitution did not interfere with slavery, except to fix a time when the foreign slave trade should be abolished. Yet within a generation the country was confronting a sharp sectional division on this issue. Changing economic conditions made slavery profitable in the South, but left it unprofitable in the North. The resulting war might have been avoided if the South

had adopted a policy of ultimate abolition. But as this method was not pursued the differences grew sharper until they brought on the great conflict.

Though the war ended forever the possibility of disunion, there still remain problems between state and federal authority. There are divisions of interest, perhaps more apparent than real, among geographical sections or social groups. The seaboard thinks it has interests in maritime transportation and overseas commerce which differ greatly from those of the interior, which is peculiarly dependent upon railroads. Difference in climate and physical conditions throughout so great a territory tend to varied social habits and modes of living which react upon the economic and political attitudes. The industrial development of some sections contrasts with the agricultural character of others. Obviously, these differences give rise to many problems in government, which must always be recognized. But it is hardly conceivable that a really menacing contest between the sovereignty of the states and of the Union could ever again arise.

Our country, having devised this dual system of government, and lived under it longer than any other, is deeply concerned to perfect and adapt it to the changing conditions of organized society. A community comprising half a continent and more than a hundred million people, could not possibly be administered under a single government organization. We must maintain a proper measure of local self-government while constantly making adjustments to an increasing interdependence among the political parts.

Our national history has presented various phases of this problem. Slavery showed one; the complexities of interstate commerce have kept others constantly in mind. On the day the Constitution was finished, probably more people would have seen seeds of conflict and dangers to the Union in future commercial relations than in slavery. But commerce became a source of strength, while slavery became a cause of division. It brought the Union into danger; and in the end was destroyed itself. Where there was sincere acceptance of the dual sovereignty theory; where the states sought to do their full part, and accepted the determinations of the national Government as to the rest, the plan worked. Where the states sought more from the federal authority than it could give, and resisted national demands—then came dissension and, at length, war.

It would be folly to deny that we still have problems of interstate relations to handle. We boast that this is a land of equal opportunity for all. We insist that there is one law for all the people. But that equality suffers often because of the divergencies between the laws of different states. So long as some can go to a distant state for divorces which others are denied at home, there is not equality in this regard.

When some states grant valuable exemptions from taxation which other states impose, one person may enjoy while another is denied these benefits.

A few years ago a majority of the states had adopted prohibition or rigid restrictions on the traffic in intoxicating liquor. But other states did not cooperate in advancing this policy, and ultimately by national action it was extended to all the Union. By failing to meet the requirements of a national demand the states became deprived of the power to act. If questions which the states will not fairly settle on their own account shall have to be settled for them by the federal authority, it will only be because some states will have refused to discharge obvious duties.

There is another responsibility of the states. It is quite aside from this one of jurisdiction. It is the subject of law enforcement. We are not a lawless people, but we are too frequently a careless one. The multiplicity of laws, the varied possibilities of appeals, the disposition to technicality in procedure, the delays and consequent expense of litigation which inevitably inure to the advantage of wealth and specialized ability—all these have many times been recounted as reproaches to us. It is strange that such laxities should persist in a time like the present, which is marked by a determined upward movement in behalf of the social welfare. But they do exist. They demonstrate a need for better, prompter, less irksome, and expensive administration of the laws. They point the necessity for simplification and codification of laws; for uniformity of procedure; for more accurate delimitation of state and federal authority.

All these problems constantly come in the work of political and social development. But they stand for a vast progression toward better conditions, a better society, a better economic system. In approaching them, we need to have in mind the Federalist's analysis of our constitutional system:

> The powers delegated to the federal Government are few and defined; those to remain in the hands of the state government are numerous and indefinite.

That statement can not be too much emphasized. The country's growth has compelled the federal establishment to exceed by far the Government plants of even the greatest states. With this growth in physical extent, in revenue, in personnel, there has inevitably been the suggestion that the federal Government was overshadowing the states. Yet the state governments deal with far more various and more intimate concerns of the people than does the national Government. All the operations of the minor civil divisions, parishes, wards, school districts, towns, cities, counties, and the like, are dependencies of the state. The

maintenance of order through police, the general business of enforcing law, is left to the states. So is education. Property is held and transferred on terms fixed by the states. In short, the structure of social and business relationship is built chiefly about the laws of the states. It depends upon the exercise by the states of that vastly greater share of Government power which resides in them, to the exclusion of the federal Government. In ordinary times nearly the entire burden of taxation represents state and local demands. Even now, despite the enormous increase of federal taxes from pre-war years, state and local taxes far exceed the federal requirements. Moreover, the national burden is being continually reduced, while that of the local units is growing and likely to continue to grow.

Such is the real distribution of duties, responsibilities, and expenses. Yet people are given to thinking and speaking of the national Government as "the Government." They demand more from it than it was ever intended to provide; and yet in the same breath they complain that federal authority is stretching itself over areas which do not concern it. On one side, there are demands for more amendments to the Constitution. On the other, there is too much opposition to those that already exist.

Without doubt, the reason for increasing demands on the federal Government is that the states have not discharged their full duties. Some have done better and some worse, but as a whole they have not done all they should. So demand has grown up for a greater concentration of powers in the federal government. If we will fairly consider it, we must conclude that the remedy would be worse than the disease. What we need is not more federal government, but better local government. Yet many people who would agree to this have large responsibility for the lapses of local authority.

From every position of consistency with our system, more centralization ought to be avoided. The states would protest, promptly enough, anything savoring of federal usurpation. Their protection will lie in discharging the full obligations that have been imposed on them. Once the evasion of local responsibilities becomes a habit, there is no knowing how far the consequences may reach. Every step in such a progression will be unfortunate alike for states and nation. The country needs, in grappling with the manifold problems of these times, all the courage, intelligence, training, and skill that can be enlisted in both state and national administrations.

One insidious practice which sugar-coats the dose of federal intrusion is the division of expense for public improvements or services between state and national treasuries. The ardent states-rights advocate sees in this practice a vicious weakening of the state system. The extreme federalist is apt to look upon it in cynical fashion as bribing the states

into subordination. The average American, believing in our dual-sovereignty system, must feel that the policy of national doles to the states is bad and may become disastrous. We may go on yet for a time with the easy assumption that "if the states *will not*, the nation *must*." But that way lies trouble. When the national Treasury contributes half, there is temptation to extravagance by the state. We have seen some examples in connection with the federal contributions to road building. Yet there are constant demands for more federal contributions. Whenever by that plan we take something from one group of states and give it to another group, there is grave danger that we do an economic injustice on one side and a political injury on the other. We impose unfairly on the strength of the strong, and we encourage the weak to indulge their weakness.

When the local government unit evades its responsibility in one direction, it is started in the vicious way of disregard of law and laxity of living. The police force which is administered on the assumption that the violation of some laws may be ignored has started toward demoralization. The community which approves such administration is making dangerous concessions. There is no use disguising the fact that as a nation our attitude toward the prevention and punishment of crime needs more serious attention. I read the other day a survey which showed that in proportion to population we have eight times as many murders as Great Britain, and five times as many as France. Murder rarely goes unpunished in Britain or France; here the reverse is true. The same survey reports many times as many burglaries in parts of America as in all England; and, whereas a very high per cent of burglars in England are caught and punished, in parts of our country only a very low per cent are finally punished. The comparison can not fail to be disturbing. The conclusion is inescapable that laxity of administration reacts upon public opinion, causing cynicism and loss of confidence in both law and its enforcement and therefore in its observance. The failure of local government has demoralizing effect in every direction.

These are vital issues, in which the nation greatly needs a revival of interest and concern. It is senseless to boast of our liberty when we find that to so shocking an extent it is merely the liberty to go ill-governed. It is time to take warning that neither the liberties we prize nor the system under which we claim them are safe while such conditions exist.

We shall not correct admitted and grave defects if we hesitate to recognize them. We must be frank with ourselves. We ought to be our own harshest critics. We can afford to be, for in spite of everything we still have a balance of prosperity, of general welfare, of secure freedom, and of righteous purpose, that gives us assurance of leadership among the nations.

What America needs is to hold to its ancient and well-charted course.

Our country was conceived in the theory of local self-government. It has been dedicated by long practice to that wise and beneficent policy. It is the foundation principle of our system of liberty. It makes the largest promise to the freedom and development of the individual. Its preservation is worth all the effort and all the sacrifice that it may cost.

It can not be denied that the present tendency is not in harmony with this spirit. The individual, instead of working out his own salvation and securing his own freedom by establishing his own economic and moral independence by his own industry and his own self-mastery, tends to throw himself on some vague influence which he denominates society and to hold that in some way responsible for the sufficiency of his support and the morality of his actions. The local political units likewise look to the states, the states look to the nation, and nations are beginning to look to some vague organization, some nebulous concourse of humanity, to pay their bills and tell them what to do. This is not local self-government. It is not American. It is not the method which has made this country what it is. We can not maintain the western standard of civilization on that theory. If it is supported at all, it will have to be supported on the principle of individual responsibility. If that principle be maintained, the result which I believe America wishes to see produced inevitably will follow.

There is no other foundation on which freedom has ever found a permanent abiding place. We shall have to make our decision whether we wish to maintain our present institutions, or whether we wish to exchange them for something else. If we permit some one to come to support us, we can not prevent some one coming to govern us. If we are too weak to take charge of our own morality, we shall not be strong enough to take charge of our own liberty. If we can not govern ourselves, if we can not observe the law, nothing remains but to have some one else govern us, to have the law enforced against us, and to step down from the honorable abiding place of freedom to the ignominious abode of servitude.

If these principles are sound, two conclusions follow. The individual and the local, state, and national political units ought to be permitted to assume their own responsibilities. Any other course in the end will be subversive both of character and liberty. But it is equally clear that they in their turn must meet their obligations. If there is to be a continuation of individual and local self-government and of state sovereignty, the individual and locality must govern themselves and the state must assert its sovereignty. Otherwise these rights and privileges will be confiscated under the all-compelling pressure of public necessity for a better maintenance of order and morality. The whole world has reached a stage in which, if we do not set ourselves right, we may be

perfectly sure that an authority will be asserted by others for the purpose of setting us right.

But before we attempt to set ourselves up as exponents of universal reform, it would be wise to remember that progress is of slow growth, and also to remember that moderation, patience, forbearance, and charity are virtues in their own right. The only action which can be effective in the long run is that which helps others to help themselves. Before we assume too great responsibilities in the governing of others, it would be the part of wisdom very completely to discharge our responsibilities for governing ourselves. A large amount of work has to be done at home before we can start in on the neighbors, and very considerable duties have to be performed in America before we undertake the direction of the rest of the world. But we must at all times do the best we can for ourselves without forgetting others, and the best we can for our own country without forgetting other nations.

Ours is a new land. It has had an almost unbelievable task to perform, and has performed it well. We have been called to fit the institutions of ancient civilization to the conditions of a new country. In that task the leaders of the nation have been supported by a deep devotion to the essentials of freedom. At the bottom of the national character has been a strain of religious earnestness and moral determination which has never failed to give color and quality to our institutions. Because our history shows us these things, we dare make honest appraisal of our shortcomings. We have not failed. We have succeeded. Because we have been privileged to rely upon generations of men and women ready to serve and to sacrifice, we have magnificently succeeded.

Our gathering here to-day is in testimony of supreme obligation to those who have given most to make and preserve the nation. They established it upon the dual system of state government and federal government, each supreme in its own sphere. But they left to the states the main powers and functions of determining the form and course of society. We have demonstrated in the time of war that under the Constitution we possess an indestructible Union. We must not fail to demonstrate in the time of peace that we are likewise determined to possess and maintain indestructible states. This policy can be greatly advanced by individual observance of the law. It can be strongly supplemented by a vigorous enforcement of the law. The war which established Memorial Day had for its main purpose the enforcement of the Constitution. The peace which followed that war rests upon the universal observance of the Constitution. This Union can only be preserved, the states can only be maintained, under a reign of national, local, and moral law, under the Constitution established by Washington, under the peace provided by Lincoln.

EXECUTIVE ORDERS

[Transfer of Bureau of Mines to Commerce Department.]

THE WHITE HOUSE, *June 4, 1925.*

I, Calvin Coolidge, President of the United States of America, under the authority conferred upon me by the act of February 14, 1903, entitled "An Act to establish the Department of Commerce and Labor" (32 Stats., 826), and by virtue of all other powers thereto me enabling, do hereby transfer from the Department of the Interior to the Department of Commerce, to be administered under the supervision of the Secretary of Commerce, the Bureau of Mines and the employees thereof, save and except those employees engaged on oil-leasing work and mineral-leasing work, who, with their equipment, shall remain in the Interior Department, together with all appropriations pertaining to the said Bureau of Mines, save and except the appropriations with which the oil and mineral-leasing work respectively, are paid for and conducted; the records, save and except those pertaining to leasing work above mentioned, and all public property of said service in the District of Columbia or elsewhere, as provided in the act of February 14, 1903, *supra.*

Further, under the authority recited herein, I do hereby transfer from the Department of the Interior to the Department of Commerce, to be administered under the supervision of the Secretary of Commerce, the Division of Mineral Resources in the Geological Survey, the employees connected therewith, together with all appropriations for Mineral Resources under the Geological Survey, the records pertaining to said Division, the records of all public property of said Division in the District of Columbia or elsewhere as provided in the act of February 14, 1903, *supra.*

The transfers above-mentioned shall be effective from and including July 1, 1925. CALVIN COOLIDGE.

[Remission of Further Payments of Installments of the Chinese Indemnity.]

THE WHITE HOUSE, *July 16, 1925.*

Whereas, a Joint Resolution of Congress, entitled a "Joint Resolution to provide for the remission of further payments of the annual installments of the Chinese indemnity," approved May 21, 1924, provides as follows:

"Whereas, by authority of a joint resolution of Congress approved May 25, 1908, the President of the United States was authorized to remit unto China the sum of $11,961,121.76 of the Boxer indemnity fund accredited to the United States, which sum the President on December 28, 1908, duly remitted and which, at the request of China, was specified to be used for educational purposes; and

Whereas it is deemed proper as a further act of friendship to remit the balance of said indemnity fund amounting to $6,137,552.90 in order further to develop the educational and other cultural activities of China: Now therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized, in his discretion, to remit to China as an act of friendship any or all further payments of the annual installments of the Chinese indemnity due under the bond received from China pursuant to the protocol of September 7, 1901, as modified by Executive order on the 28th day of December, 1908, pursuant to the authority of the joint resolution of Congress approved May 25, 1908, for indemnity against losses and expenses incurred by reason of the so-called Boxer disturbances in China during the year 1900, such remission to begin as from October 1, 1917, and to be at such times and in such manner as the President shall deem just."; and

Whereas, the Minister of the Republic of China at Washington, to whom a copy of the said Joint Resolution was transmitted by the Secretary of State, informed the Secretary of State on June 14, 1924, that his Government proposed to devote the funds thus made available to educational and cultural purposes, paying especial attention to scientific requirements, and to entrust the administration of the funds to a Board which should be composed of Chinese and American citizens as members; and

Whereas, the Minister of the Republic of China on September 16, 1924, forwarded to the Secretary of State a copy of the constitution of the Board referred to in his communication of June 14, 1924, above mentioned, which Board, he stated, had been designated "The China Foundation for the Promotion of Education and Culture"; and

Whereas, the Minister of the Republic of China on June 6, 1925, informed the Secretary of State (1) that the Board of Trustees of the China Foundation for the Promotion of Education and Culture was a corporate body instituted by a Mandate of the President of the Republic of China on September 17, 1924, for the custody and control of the remitted indemnity funds; (2) that on June 3, 1925, the said Board had unanimously adopted a resolution reading textually as follows: "Resolved that the funds from the remitted portion of the indemnity due the United States to be intrusted to the China Foundation for the Promotion of Education and Culture be devoted to the development of scientific knowledge and to the application of such knowledge to the conditions in China through the promotion of technical training of scientific research, experimentation, and demonstration, and training in science teaching, and to the advancement of cultural enterprises of a permanent character such as libraries and the like"; and (3) that, in order to carry out the intent of the Joint Resolution of Congress, the Board was ready to receive the remitted funds from the United States Government.

Now, therefore, I, Calvin Coolidge, President of the United States of America, acting under and by virtue of the authority conferred upon me by the said Joint Resolution of Congress, do hereby make the following determination, order, rule and regulation:

The Secretary of the Treasury is hereby authorized and directed to remit to the said Board of Trustees of the China Foundation for the Promotion of Education and Culture, as the agent designated by the Chinese Government to receive the same, all payments of the annual installments of the Chinese indemnity made subsequent to October 1, 1917, under the bond received from China pursuant to the protocol of September 7, 1901, as modified by Executive Order on the 28th day of December, 1908, pursuant to the authority of the Joint Resolution of Congress, approved May 25, 1908, together with such further payments as may be made from time to time under the said bond, the remission of the payments to be for the purpose of further developing the educational and other cultural activities of China.

CALVIN COOLIDGE.

STATE DEPARTMENT STATEMENT

July 20, 1925.

On July 16, 1925, the President signed an Executive Order, directing the Secretary of the Treasury to remit to the Board of Trustees of the China Foundation for the Promotion of Education and Culture, as the agent designated by the Chinese Government to receive them, all payments of the annual installments of the Chinese indemnity made subsequent to October 1, 1917, including sums already received and all future payments in respect to the indemnity.

The issuance of the Executive Order is the culmination of a series of events beginning in 1900 when the disturbances in China known as the "Boxer Trouble" took place. As a result of these disturbances the Chinese Government was required in 1901 to execute a bond to pay to the foreign powers, over a period of forty years, as indemnity for the losses incurred by their citizens, both of life and property, and for the military expenses incurred by the different governments, the sum of Taels 450,000,000 (U. S. $335,900,000) and interest. This sum was apportioned among the different countries, the American share being $24,440,778.81. In 1908, by Executive Order pursuant to a Joint Resolution of Congress, the amount of the American share was reduced to $13,655,492.69, the Chinese Government devoting the annual payments thus set free to educational purposes. In 1917 China joined the side of the Allies in the European War and at this time the powers agreed to a postponement, without interest, of the indemnity payments for a period of five years. In 1921, before the time for the resumption of the payments had arrived, a resolution was introduced in the Senate by the late Senator Lodge, having for object the remission of all further payments of the American share of the indemnity. The resolution passed the Senate, was introduced in the House, but final action was not taken upon it before adjournment. At the end of 1922 the five year postponement of the indemnity payments expired and the indemnity payments were resumed. In 1924 the Honorable Stephen G. Porter

introduced a resolution in the House similar to the resolution previously introduced by Senator Lodge. It passed the House and Senate and was approved by the President on May 21, 1924.

On June 14, 1924, the Honorable Sao-Ke Alfred Sze, Minister of the Republic of China at Washington, to whom a copy of the Joint Resolution had been sent by Secretary Hughes, in expressing the thanks of his Government, stated that it was proposed by his Government to devote the funds thus made available to educational and cultural purposes, paying especial attention to scientific requirements, and to entrust the administration of the funds to a Board which should be composed of Chinese and American citizens as members. On September 17, 1924, a Mandate was issued by the President of the Republic of China, creating "The Board of Trustees of the China Foundation for the Promotion of Education and Culture" for the custody and control of the remitted funds. The Mandate named nine Chinese and five Americans as members of the Board. Among the Chinese members are the Honorable Sao-Ke Alfred Sze, the Honorable V. K. Wellington Koo and the Honorable W. W. Yen, all three of whom have at different times held the post of Minister of Foreign Affairs of the Republic of China. The American members of the Board are Dr. Paul Monroe, Director of the Teachers' College of Columbia University; Dr. John Dewey, Professor of Philosophy at Columbia University; Mr. John Earle Baker, Adviser to the Chinese Ministry of Communications; Mr. Roger S. Greene, of the Rockefeller Foundation, and Mr. C. R. Bennett, of the International Banking Corporation. Subsequently one more Chinese was added to the Board, bringing the number of Chinese members up to ten.

On June 3, 1925, a meeting of the Board was held at Tientsin, China, at which the following resolution was unanimously adopted:

"Resolved that the funds from the remitted portion of the indemnity due the United States to be intrusted to the China Foundation for the Promotion of Education and Culture be devoted to the development of scientific knowledge and to the application of such knowledge to the conditions in China through the promotion of technical training of scientific research, experimentation, and demonstration, and training in science teaching, and to the advancement of cultural enterprises of a permanent character such as libraries and the like."

On June 6, 1925, the Chinese Minister addressed a note to the Secretary of State, communicating the text of the resolution above quoted and stating that, in order to carry out the intent of the Joint Resolution of Congress, the Board was now ready to receive the remitted funds from the American Government.

As stated above the President, on July 16, 1925, signed an Executive Order, directing the Secretary of the Treasury to remit to the Board all payments of the indemnity received after October 1, 1917.

By the President of the United States of America

PROCLAMATIONS

[National Fire Prevention Week—1925.]

The time has come for the annual resurvey of the nation's enormous wastage, alike in human life and in property, and for the annual appeal

for the lessening of this huge loss. I am informed that during 1924 fires caused the loss of approximately 15,000 lives, and of property exceeding $548,000,000 in value. The figures are startling; they are yet more so when it is added that this is declared by competent authorities the greatest fire loss in any year of our history.

This waste results from conditions which justify a sense of shame and horror; for the greater part of it could and ought to be prevented. Not only was the 1924 fire loss greater than that of any preceding year, but the loss for the first half of 1925 exceeded that for the like period of 1924. As a result of careful inquiries, I am informed that whereas the absolute as well as the per capita fire loss of this country tends to increase from year to year, the same losses in comparable European countries tend to decrease. For the most recent comparable periods fire losses in Great Britain are calculated at less than $1.00 per capita per annum, while those of the United States are placed at approximately $5.00 per capita. Comparisons with other European countries are similarly to our discredit.

It is highly desirable that every effort be made to reform the conditions which have made possible so vast a destruction of the national wealth. To this end, for a long time past it has been customary to set aside a week in each year, during which the need of fire prevention may be emphasized. It is important that this practice be continued.

Therefore, I, Calvin Coolidge, President of the United States, recommend that the week beginning Sunday, October 4th, be observed as National Fire Prevention Week. To state and municipal officials, civic organizations, school authorities and all citizens and organized bodies, I appeal for the fullest cooperation in improving conditions. There is need for earnest study of the principles of fire protection, as a practical measure of national economy.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the city of Washington on this 11th day of September, in the year of our Lord one thousand nine hundred twenty-five, [SEAL] and of the Independence of the United States of America, the one hundred and fiftieth.

CALVIN COOLIDGE.

By the President:

FRANK B. KELLOGG, *Secretary of State.*

[American Education Week—1925.]

Education is becoming well-nigh universal in America. The rapidity of its expansion within the past half century has no precedent. Our system of public instruction, administered by State and local officers, is

peculiarly suited to our habits of life and to our plan of government, and it has brought forth abundant fruit.

In some favored localities only one, two, or three persons in a thousand between the ages of 16 and 20 are classed as illiterate. High schools and academies easily accessible are offering to the youth of America a greater measure of education than that which the founders of the Nation received from Harvard, William and Mary, Yale, and Princeton; and so widely diffused has advanced study become that the bachelor's degree is no longer a symbol of unusual learning.

All this is reason for gratification; but in the contemplation of worthy achievement we must still be mindful that full provision has not yet been made throughout the country for education of either elementary, secondary, or higher grade. Large numbers have not been reached by the blessings of education. The efficiency of the schools in rural communities is, in general, relatively low; too often their equipment is meagre, their teachers poorly prepared, and their terms short. High schools, notwithstanding their extraordinary growth, have not kept pace with the demand for instruction; even in great cities many students are restricted to half-time attendance, and in outlying districts such schools are frequently insufficient in number or inadequate in quality. In higher education the possibilities of existing institutions have been reached and it is essential that their facilities be extended or that junior colleges in considerable numbers be established.

These deficiencies leave no room for complacency. The utmost endeavor must be exerted to provide for every child in the land the full measure of education which his need and his capacity demand; and none must be permitted to live in ignorance. Marked benefit has come in recent years from nation-wide campaigns for strengthening public sentiment for universal education, for upholding the hands of constituted school authorities, and for promoting meritorious legislation in behalf of the schools. Such revivals are wholesome and should continue.

Now, therefore, I, Calvin Coolidge, President of the United States, do proclaim the week beginning November sixteenth as American Education Week, and I urge that it be observed throughout the United States. I recommend that the Governors of the several States issue proclamations setting forth the necessity of education to a free people and requesting that American Education Week be appropriately celebrated in their respective States. I urge further that local officers, civic, social, and religious organizations, and citizens of every occupation contribute with all their strength to the advance of education, and that they make of American Education Week a special season of mutual encouragement in promoting that enlightenment upon which the welfare of the Nation depends.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the City of Washington on this 18th day of September in the year of our Lord One Thousand Nine Hundred and Twenty-
[SEAL] five and of the Independence of the United States the One Hundred and Fiftieth. CALVIN COOLIDGE.

By the President:

FRANK B. KELLOGG, *Secretary of State.*

[Thanksgiving—1925.]

The season approaches when, in accordance with a long established and respected custom, a day is set apart to give thanks to Almighty God for the manifold blessings which His gracious and benevolent providence has bestowed upon us as a nation and as individuals.

We have been brought with safety and honor through another year, and, through the generosity of nature, He has blessed us with resources whose potentiality in wealth is almost incalculable; we are at peace at home and abroad; the public health is good; we have been undisturbed by pestilences or great catastrophes; our harvests and our industries have been rich in productivity; our commerce spreads over the whole world, and Labor has been well rewarded for its remunerative service.

As we have grown and prospered in material things, so also should we progress in moral and spiritual things. We are a God-fearing people who should set ourselves against evil and strive for righteousness in living, and observing the Golden Rule we should from our abundance help and serve those less fortunately placed. We should bow in gratitude to God for His many favors.

Now, therefore, I, Calvin Coolidge, President of the United States, do hereby set apart Thursday, the twenty-sixth day of November next as a day of general thanksgiving and prayer, and I recommend that on that day the people shall cease from their daily work, and in their homes or in their accustomed places of worship, devoutly give thanks to the Almighty for the many and great blessings they have received, and to seek His guidance that they may deserve a continuance of His favor.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this 26th day of October, in the year of our Lord one thousand nine hundred and twenty-five, and
[SEAL] of the Independence of the United States of America the one hundred and fiftieth. CALVIN COOLIDGE.

By the President:

FRANK B. KELLOGG, *Secretary of State.*

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THE FIRST CABINET OF PRESIDENT HARDING

Seated, Left to Right—Secretary of War Weeks, Secretary of the Treasury Mellon, Secretary of State Hughes, President Harding, Vice President Coolidge, Secretary of the Navy Denby.
Standing, Left to Right—Secretary of the Interior Fall, Postmaster General Hays, Attorney General Daugherty, Secretary of Agriculture Wallace, Secretary of Commerce Hoover, Secretary of Labor Davis.

THE FIRST CABINET OF PRESIDENT HARDING

President Harding's selection of his cabinet mirrored the political situation which confronted his administration. Public attention was focused upon his choice for Secretary of State, for the choice of an advocate of the unreserved entrance of the United States into the League of Nations would have aroused the immediate opposition of the "Irreconcilables" who had succeeded in defeating ratification of the Treaty of Versailles; whereas the choice of an advocate of complete world-isolation for the United States would have run counter to Harding's own promise to effect "an association of nations." Moreover, it was necessary that a man of supreme intellectual ability be chosen, for it was evident that President Harding was not going to dominate the foreign policy of the administration as had President Wilson. All these requirements were happily met in Charles Evans Hughes.

Next to Secretary Hughes, the most prominent man to enter the cabinet was Herbert Hoover, endeared to Americans by his work as head of the Belgian Relief Administration and of the United States Food Administration during the War. His appointment was a concession to the "liberals" within the Republican Party, and also to a certain type of progressive business man who admired Mr. Hoover's firm grasp upon economic facts, here and abroad.

Mr. Daugherty had been President Harding's manager for the Presidential nomination, as well as his tactician previously in Ohio politics. Other appointments evidently dictated by political exigencies were those of Mr. Weeks, for many years a powerful influence within the Republican Party, and of Mr. Hays, who had achieved great success in unifying the Party and had managed its 1920 Presidential campaign.

Mr. Fall had been a close personal friend of the President in the Senate, and his inclusion in the cabinet was probably due also to his knowledge of affairs in Mexico. Mr. Denby, a former member of the House of Representatives, had seen service in the Marine Corps during the War. In the choice of Mr. Mellon for the Treasury position, the abilities of one of the most successful bankers of the country were secured, who, however, was not under the political handicap of being known as a "Wall Street man," and who was a constituent of Senator Penrose, the leader of the Republican Party in the Senate.

Mr. Wallace was the owner and editor of an extremely successful and influential agricultural journal. Mr. Davis had once been an active trade union member, so that his appointment might serve to enlist the applause of organized labor, whereas his period of union activity had been sufficiently distant not to alienate the business interests of the country by the appointment.

On the whole, the cabinet was representative of the conservative rather than of the "Progressive" wing of the Republican Party, thus reflecting President Harding's own conservative views while a member of the United States Senate.

STATE DEPARTMENT STATEMENT

[Report of the Niagara Control Board.]

September 19, 1925.

1. The Niagara Control Board has the honour to submit herewith a report covering the work performed by the Board in connection with the diversion of water from the Niagara River for power purposes.

2. The work of the Board has been in conformity with views expressed in a despatch dated 8th February, 1923, from the Secretary of State of the United States to the Ambassador of Great Britain at Washington and concurred in by the Government of Canada under date of the 10th July, 1923, wherein reference was made to existing and projected hydraulic turbine installations at Niagara Falls, which if operated to capacity would be capable of diverting water for power purposes in excess of treaty limitations, and refers further to the desirability of appointing a joint Board to secure uniformity and closer cooperation in the method of measurement of the water diverted and proper observance of treaty provisions.

3. Under Article 5 of the Boundary Waters Treaty of 11th January, 1909, the diversion within the State of New York of waters of the Niagara River for power purposes is limited to an amount not exceeding in the aggregate a daily diversion at the rate of 20,000 cubic feet of water per second, and within the Province of Ontario, 36,000 cubic feet of water per second. Of the existing diversions for power purposes, all are returned to the lower Niagara River with the exception of 500 cubic feet per second, which has been reserved by the United States for diversion for power purposes through the New York State Barge Canal, and such portion of this 500 cubic feet as is actually used is returned to Lake Ontario east of the Niagara River.

4. The Board adopted a method of determining the amount of water diverted by the several power companies on the Canadian and American shores of the Niagara River at Niagara Falls, and directed that hourly records be kept of the diversions by these companies. The method of measurement adopted determines at hourly intervals the power output of the various plants by watt meter readings, and by computation therefrom the amount of water used by the various hydro electric units is obtained by means of curves showing the relation between water consumption and power output for the different units, as determined by efficiency tests.

5. The efficiency tests were made under the direction and in the presence of the Board or its representatives. They consisted of measuring the amount of water used and the amount of electrical energy delivered by a unit at various gate openings. The electrical measurements were made by carefully calibrated electrical instruments of standard type. The measurements of water consumption were made by the "Gibson" method. This is a fairly recent development in hydraulic art, by which the amount of water flowing in a penstock is computed from a pressure time diagram showing the changes in penstock pressure caused by a closure of the turbine gates. The Board investigated this method very carefully and secured such convincing evidence of its accuracy and convenience that it was adopted as a standard method for use throughout the operations of the Board. These measurements were made on each type of unit in each power house, and, where more than one unit of the same type and capacity was installed at least one unit from each five or less identical units in a plant was tested.

6. For many years the United States power companies at Niagara Falls have been required to submit reports of hourly measurements to the War Department indicating the amount of water diverted from the Niagara River. An inspection of these records from the time it was physically possible from the status of installation of machinery to have exceeded the treaty limitations definitely shows that the diversion of water by these companies has at no time exceeded in the aggregate a daily diversion at the rate of 19,500 cubic feet of water per second.

7. With respect to the remaining 500 cubic feet per second reserved by the United States for diversion for power purposes through the New York State Barge Canal, accurate measurement of this diversion has not yet been made by the Board, such action being delayed pending definition of water rights and allocation of water diversions by the Federal Power Commission. From inspection of the

waterway, information on hand, and reports of measurements submitted by the New York State Engineer, the Board believes that the 500 cubic feet per second reserved for this purpose has not been exceeded.

8. A careful inspection and investigation by this Board of records of the several power companies on the Canadian side of the Niagara River, from the time it was physically possible from the status of installation of machinery to have exceeded the treaty limitations, definitely shows that the diversion of water has at no time exceeded in the aggregate a daily diversion at the rate of 36,000 cubic feet of water per second.

9. It is pertinent to refer here to the fact that while hydraulic installation on both sides of the boundary is now such that it is physically possible to divert water in excess of the treaty limitations, the policy pursued in both countries has been that of partial closure of the older and more inefficient plants and the utilization of the water in the newer and highly efficient plants.

10. Since January 1, 1925, hourly measurements have been made at the power plants on both sides of the Niagara River at Niagara Falls, and show that all the power plants have been and are being operated in entire compliance with the provisions of the treaty.

11. Weekly inspections of the various power plants are made by the Board or its representatives, at irregular hours. It is believed that, under the method of supervision adopted, no violation of treaty limitations is possible without prompt detection by the Board.

12. Hourly records of diversions and frequent inspections by the Board will be continued and additional efficiency tests made from time to time as changes in conditions warrant or require.

THIRD ANNUAL MESSAGE

[Read to Congress on December 8, 1925.]

Members of the Congress:

In meeting the constitutional requirement of informing the Congress upon the state of the Union, it is exceedingly gratifying to report that the general condition is one of progress and prosperity. Here and there are comparatively small and apparently temporary difficulties needing adjustment and improved administrative methods, such as are always to be expected, but in the fundamentals of government and business the results demonstrate that we are going in the right direction. The country does not appear to require radical departures from the policies already adopted so much as it needs a further extention of these policies and the improvement of details. The age of perfection is still in the somewhat distant future, but it is more in danger of being retarded by mistaken Government activity than it is from lack of legislation. We are by far the most likely to accomplish permanent good if we proceed with moderation.

In our country the people are sovereign and independent, and must accept the resulting responsibilities. It is their duty to support themselves and support the Government. That is the business of the nation, whatever the charity of the nation may require. The functions which the Congress are to discharge are not those of local government but of national government. The greatest solicitude should be exercised to

prevent any encroachment upon the rights of the states or their various political subdivisions. Local self-government is one of our most precious possessions. It is the greatest contributing factor to the stability, strength, liberty, and progress of the nation. It ought not to be infringed by assault or undermined by purchase. It ought not to abdicate its power through weakness or resign its authority through favor. It does not at all follow that because abuses exist it is the concern of the federal Government to attempt their reform.

Society is in much more danger from encumbering the national Government beyond its wisdom to comprehend, or its ability to administer, than from leaving the local communities to bear their own burdens and remedy their own evils. Our local habit and custom is so strong, our variety of race and creed is so great, the federal authority is so tenuous, that the area within which it can function successfully is very limited. The wiser policy is to leave the localities, so far as we can, possessed of their own sources of revenue and charged with their own obligations.

GOVERNMENT ECONOMY

It is a fundamental principle of our country that the people are sovereign. While they recognize the undeniable authority of the state, they have established as its instrument a Government of limited powers. They hold inviolate in their own hands the jurisdiction over their own freedom and the ownership of their own property. Neither of these can be impaired except by due process of law. The wealth of our country is not public wealth, but private wealth. It does not belong to the Government, it belongs to the people. The Government has no justification in taking private property except for a public purpose. It is always necessary to keep these principles in mind in the laying of taxes and in the making of appropriations. No right exists to levy on a dollar, or to order the expenditure of a dollar, of the money of the people, except for a necessary public purpose duly authorized by the Constitution. The power over the purse is the power over liberty.

That is the legal limitation within which the Congress can act. How it will proceed within this limitation is always a question of policy. When the country is prosperous and free from debt, when the rate of taxation is low, opportunity exists for assuming new burdens and undertaking new enterprises. Such a condition now prevails only to a limited extent. All proposals for assuming new obligations ought to be postponed, unless they are reproductive capital investments or are such as are absolutely necessary at this time. We still have an enormous debt of over $20,000,000,000, on which the interest and sinking-fund requirements are $1,320,000,000. Our appropriations for the Pension Office and the Veterans' Bureau are $600,000,000. The War and Navy

Departments call for $642,000,000. Other requirements, exclusive of the Post Office, which is virtually self-sustaining, brought the appropriations for the current year up to almost $3,100,000,000. This shows an expenditure of close to $30 for every inhabitant of our country. For the average family of five it means a tax, directly or indirectly paid, of about $150 for national purposes alone. The local tax adds much more. These enormous expenditures ought not to be increased, but through every possible effort they ought to be reduced.

Only one of these great items can be ultimately extinguished. That is the item of our war debt. Already this has been reduced by about $6,000,000,000, which means an annual saving in interest of close to $250,000,000. The present interest charge is about $820,000,000 yearly. It would seem to be obvious that the sooner this debt can be retired the more the taxpayers will save in interest and the easier it will be to secure funds with which to prosecute needed running expenses, constructions, and improvements. This item of $820,000,000 for interest is a heavy charge on all the people of the country, and it seems to me that we might well consider whether it is not greatly worth while to dispense with it as early as possible by retiring the principal debt which it is required to serve.

It has always been our policy to retire our debts. That of the Revolutionary War period, notwithstanding the additions made in 1812, was paid by 1835, and the Civil War debt within 23 years. Of the amount already paid, over $1,000,000,000 is a reduction in cash balances. That source is exhausted. Over one and two-thirds billions of dollars was derived from excess receipts. Tax reduction eliminates that. The sale of surplus war materials has been another element of our income. That is practically finished. With these eliminated, the reduction of the debt has been only about $500,000,000 each year, not an excessive sum on so large a debt.

Proposals have been made to extend the payment over a period of 62 years. If $1,000,000,000 is paid at the end of 20 years, the cost to the taxpayers is the principal and, if the interest is 4¼ per cent, a total of $1,850,000,000. If the same sum is paid at the end of 62 years, the cost is $3,635,000,000, or almost double. Here is another consideration: Compared with its purchasing power in 1913, the dollar we borrowed represented but 52 cents. As the value of our dollar increases, due to the falling prices of commodities, the burden of our debt increases. It has now risen to 63½ cents. The taxpayer will be required to produce nearly twice the amount of commodities to pay his debt if the dollar returns to the 1913 value. The more we pay while prices are high, the easier it will be.

Deflation of government after a war period is slower than deflation of business, where curtailment is either prompt and effective or disaster

follows. There is room for further economy in the cost of the federal Government, but a comparison of current expenditures with pre-war expenditures is not unfavorable to the efficiency with which Government business is now being done. The expenditures of 1916, the last pre-war year, were $742,000,000, and in 1925 over $3,500,000,000, or nearly five times as great. If we subtract expenditures for debt retirements and interest, veterans' relief, increase of pensions, and other special outlays, consisting of refunds, trust investments, and like charges, we find that the general expenditures of the Government in 1925 were slightly more than twice as large as in 1916.

As prices in 1925 were approximately 40 per cent higher than in 1916, the cost of the same Government must also have increased. But the Government is not the same. It is more expensive to collect the much greater revenue necessary and to administer our great debt. We have given enlarged and improved services to agriculture and commerce. Above all, America has grown in population and wealth. Government expenditures must always share in this growth. Taking into account the factors I have mentioned, I believe that present federal expenses are not far out of line with pre-war expenses. We have nearly accomplished the deflation.

This does not mean that further economies will not come. As we reduce our debt our interest charges decline. There are many details yet to correct. The real improvement, however, must come not from additional curtailment of expenses, but by a more intelligent, more ordered spending. Our economy must be constructive. While we should avoid as far as possible increases in permanent current expenditures, oftentimes a capital outlay like internal improvements will result in actual constructive saving. That is economy in its best sense. It is an avoidance of waste that there may be the means for an outlay today which will bring larger returns tomorrow. We should constantly engage in scientific studies of our future requirements and adopt an orderly program for their service. Economy is the method by which we prepare today to afford the improvements of tomorrow.

BUDGET

A mere policy of economy without any instrumentalities for putting it into operation would be very ineffective. The Congress has wisely set up the Bureau of the Budget to investigate and inform the President what recommendations he ought to make for current appropriations. This gives a centralized authority where a general and comprehensive understanding can be reached of the sources of income and the most equitable distribution of expenditures. How well it has worked is indicated by the fact that the departmental estimates for 1922,

before the budget law, were $4,068,000,000 while the Budget estimates for 1927 are $3,156,000,000. This latter figure shows the reductions in departmental estimates for the coming year made possible by the operation of the Budget system that the Congress has provided.

But it is evidently not enough to have care in making appropriations without any restraint upon expenditure. The Congress has provided that check by establishing the office of Comptroller General.

The purpose of maintaining the Budget Director and the Comptroller General is to secure economy and efficiency in Government expenditure. No better method has been devised for the accomplishment of that end. These offices can not be administered in all the various details without making some errors both of fact and of judgment. But the important consideration remains that these are the instrumentalities of the Congress and that no other plan has ever been adopted which was so successful in promoting economy and efficiency. The Congress has absolute authority over the appropriations and is free to exercise its judgment, as the evidence may warrant, in increasing or decreasing budget recommendations. But it ought to resist every effort to weaken or break down this most beneficial system of supervising appropriations and expenditures. Without it all the claim of economy would be a mere pretense.

TAXATION

The purpose of reducing expenditures is to secure a reduction in taxes. That purpose is about to be realized. With commendable promptness the Ways and Means Committee of the House has undertaken in advance of the meeting of the Congress to frame a revenue act. As the bill has proceeded through the committee it has taken on a nonpartisan character, and both Republicans and Democrats have joined in a measure which embodies many sound principles of tax reform. The bill will correct substantially the economic defects injected into the revenue act of 1924, as well as many which have remained as war-time legacies. In its present form it should provide sufficient revenue for the Government.

The excessive surtaxes have been reduced, estate tax rates are restored to more reasonable figures, with every prospect of withdrawing from the field when the states have had the opportunity to correct the abuses in their own inheritance tax laws, the gift tax and publicity section are to be repealed, many miscellaneous taxes are lowered or abandoned, and the Board of Tax Appeals and the administrative features of the law are improved and strengthened. I approve of the bill in principle. In so far as income-tax exemptions are concerned, it seems to me the committee has gone as far as it is safe to go and some-

what further than I should have gone. Any further extension along these lines would, in my opinion, impair the integrity of our income-tax system.

I am advised that the bill will be through the House by Christmas. For this prompt action the country can thank the good sense of the Ways and Means Committee in framing an economic measure upon economic considerations. If this attitude continues to be reflected through the Congress, the taxpayer will have his relief by the time his March 15th installment of income taxes is due. Nonpartisan effort means certain, quick action. Determination of a revenue law definitely, promptly and solely as a revenue law, is one of the greatest gifts a legislature can bestow upon its constituents. I commend the example of the Ways and Means Committee. If followed, it will place sound legislation upon the books in time to give the taxpayers the full benefit of tax reduction next year. This means that the bill should reach me prior to March 15.

All these economic results are being sought not to benefit the rich, but to benefit the people. They are for the purpose of encouraging industry in order that employment may be plentiful. They seek to make business good in order that wages may be good. They encourage prosperity in order that poverty may be banished from the home. They seek to lay the foundation which, through increased production, may give the people a more bountiful supply of the necessaries of life, afford more leisure for the improvement of the mind, the appreciation of the arts of music and literature, sculpture and painting, and the beneficial enjoyment of outdoor sports and recreation, enlarge the resources which minister to charity and by all these means attempting to strengthen the spiritual life of the nation.

FOREIGN RELATIONS

The policy of our foreign relations, casting aside any suggestion of force, rests solely on the foundation of peace, good will, and good works. We have sought, in our intercourse with other nations, better understandings through conference and exchange of views as befits beings endowed with reason. The results have been the gradual elimination of disputes, the settlement of controversies, and the establishment of a firmer friendship between America and the rest of the world than has ever existed at any previous time.

The example of this attitude has not been without its influence upon other countries. Acting upon it, an adjustment was made of the difficult problem of reparations. This was the second step toward peace in Europe. It paved the way for the agreements which were drawn up at the Locarno Conference. When ratified, these will represent the

third step toward peace. While they do not of themselves provide an economic rehabilitation, which is necessary for the progress of Europe, by strengthening the guaranties of peace they diminish the need for great armaments. If the energy which now goes into military effort is transferred to productive endeavor, it will greatly assist economic progress.

The Locarno agreements were made by the European countries directly interested without any formal intervention of America, although on July 3 I publicly advocated such agreements in an address made in Massachusetts. We have consistently refrained from intervening except when our help has been sought and we have felt it could be effectively given, as in the settlement of reparations and the London Conference. These recent Locarno agreements represent the success of this policy which we have been insisting ought to be adopted, of having European countries settle their own political problems without involving this country. This beginning seems to demonstrate that this policy is sound. It is exceedingly gratifying to observe this progress, which both in its method and in its result promises so much that is beneficial to the world.

When these agreements are finally adopted, they will provide guaranties of peace that make the present prime reliance upon force in some parts of Europe very much less necessary. The natural corollary to these treaties should be further international contracts for the limitation of armaments. This work was successfully begun at the Washington Conference. Nothing was done at that time concerning land forces because of European objection. Our standing army has been reduced to around 118,000, about the necessary police force for 115,000,000 people. We are not proposing to increase it, nor is it supposable that any foreign country looks with the slightest misapprehension upon our land forces. They do not menace anybody. They are rather a protection to everybody.

The question of disarming upon land is so peculiarly European in its practical aspects that our country would look with particular gratitude upon any action which those countries might take to reduce their own military forces. This is in accordance with our policy of not intervening unless the European powers are unable to agree and make request for our assistance. Whenever they are able to agree of their own accord it is especially gratifying to us, and such agreements may be sure of our sympathetic support.

It seems clear that it is the reduction of armies rather than of navies that is of the first importance to the world at the present time. We shall look with great satisfaction upon that effort and give it our approbation and encouragement. If that can be settled, we may more easily consider further reduction and limitation of naval armaments. For

that purpose our country has constantly through its Executive, and through repeated acts of Congress, indicated its willingness to call such a conference. Under congressional sanction it would seem to be wise to participate in any conference of the great powers for naval limitation of armament proposed upon such conditions that it would hold a fair promise of being effective. The general policy of our country is for disarmament, and it ought not to hesitate to adopt any practical plan that might reasonably be expected to succeed. But it would not care to attend a conference which from its location or constituency would in all probability prove futile.

In the further pursuit of strengthening the bonds of peace and good will we have joined with other nations in an international conference held at Geneva and signed an agreement which will be laid before the Senate for ratification providing suitable measures for control and for publicity in international trade in arms, ammunition, and implements of war, and also executed a protocol providing for a prohibition of the use of poison gas in war, in accordance with the principles of Article 5 of the treaty relating thereto signed at the Washington Conference. We are supporting the Pan American efforts that are being made toward the codification of international law, and looking with sympathy on the investigations being conducted under philanthropic auspices of the proposal to make agreements outlawing war. In accordance with promises made at the Washington Conference, we have urged the calling of and are now represented at the Chinese Customs Conference and on the Commission on Extraterritoriality, where it will be our policy so far as possible to meet the aspirations of China in all ways consistent with the interests of the countries involved.

COURT OF INTERNATIONAL JUSTICE

Pending before the Senate for nearly three years is the proposal to adhere to the protocol establishing the Permanent Court of International Justice. A well-established line of precedents mark America's effort to effect the establishment of a court of this nature. We took a leading part in laying the foundation on which it rests in the establishment of The Hague Court of Arbitration. It is that tribunal which nominates the judges who are elected by the Council and Assembly of the League of Nations.

The proposal submitted to the Senate was made dependent upon four conditions, the first of which is that by supporting the court we do not assume any obligations under the league; second, that we may participate upon an equality with other States in the election of judges; third, that the Congress shall determine what part of the expenses we shall bear; fourth, that the statute creating the court shall not be amended

without our consent; and to these I have proposed an additional condition to the effect that we are not to be bound by advisory opinions rendered without our consent.

The court appears to be independent of the league. It is true the judges are elected by the Assembly and Council, but they are nominated by the Court of Arbitration, which we assisted to create and of which we are a part. The court was created by a statute, so-called, which is really a treaty made among some forty-eight different countries, that might properly be called a constitution of the court. This statute provides a method by which the judges are chosen, so that when the Court of Arbitration nominates them and the Assembly and Council of the League elect them, they are not acting as instruments of the Court of Arbitration or instruments of the league, but as instruments of the statute.

This will be even more apparent if our representatives sit with the members of the council and assembly in electing the judges. It is true they are paid through the league though not by the league, but by the countries which are members of the league and by our country if we accept the protocol. The judges are paid by the league only in the same sense that it could be said United States judges are paid by the Congress. The court derives all its authority from the statute and is so completely independent of the league that it could go on functioning if the league were disbanded, at least until the terms of the judges expired.

The most careful provisions are made in the statute as to the qualifications of judges. Those who make the nominations are recommended to consult with their highest court of justice, their law schools and academies. The judges must be persons of high moral character, qualified to hold the highest judicial offices in that country, or be jurisconsults of recognized competence in international law. It must be assumed that these requirements will continue to be carefully met, and with America joining the countries already concerned it is difficult to comprehend how human ingenuity could better provide for the establishment of a court which would maintain its independence. It has to be recognized that independence is to a considerable extent a matter of ability, character, and personality. Some effort was made in the early beginnings to interfere with the independence of our Supreme Court. It did not succeed because of the quality of the men who made up that tribunal.

It does not seem that the authority to give advisory opinions interferes with the independence of the court. Advisory opinions in and of themselves are not harmful, but may be used in such a way as to be very beneficial because they undertake to prevent injury rather than merely afford a remedy after the injury has been done. As a principle

that only implies that the court shall function when proper application is made to it. Deciding the question involved upon issues submitted for an advisory opinion does not differ materially from deciding the question involved upon issues submitted by contending parties. Up to the present time the court has given an advisory opinion when it judged it had jurisdiction, and refused to give one when it judged it did not have jurisdiction. Nothing in the work of the court has yet been an indication that this is an impairment of its independence or that its practice differs materially from the giving of like opinions under the authority of the constitutions of several of our states.

No provision of the statute seems to me to give this court any authority to be a political rather than a judicial court. We have brought cases in this country before our courts which, when they have been adjudged to be political, have been thereby dismissed. It is not improbable that political questions will be submitted to this court, but again up to the present time the court has refused to pass on political questions and our support would undoutedly have a tendency to strengthen it in that refusal.

We are not proposing to subject ourselves to any compulsory jurisdiction. If we support the court, we can never be obliged to submit any case which involves our interests for its decision. Our appearance before it would always be voluntary, for the purpose of presenting a case which we had agreed might be presented. There is no more danger that others might bring cases before the court involving our interests which we did not wish to have brought, after we have adhered, and probably not so much, than there would be of bringing such cases if we do not adhere. I think that we would have the same legal or moral right to disregard such a finding in the one case that we would in the other.

If we are going to support any court, it will not be one that we have set up alone or which reflects only our ideals. Other nations have their customs and their institutions, their thoughts and their methods of life. If a court is going to be international, its composition will have to yield to what is good in all these various elements. Neither will it be possible to support a court which is exactly perfect, or under which we assume absolutely no obligations. If we are seeking that opportunity, we might as well declare that we are opposed to supporting any court. If any agreement is made, it will be because it undertakes to set up a tribunal which can do some of the things that other nations wish to have done. We shall not find ourselves bearing a disproportionate share of the world's burdens by our adherence, and we may as well remember that there is absolutely no escape for our country from bearing its share of the world's burdens in any case. We shall do far better service to ourselves and to others if we admit this and discharge

our duties voluntarily, than if we deny it and are forced to meet the same obligations unwillingly.

It is difficult to imagine anything that would be more helpful to the world than stability, tranquillity and international justice. We may say that we are contributing to these factors independently, but others less fortunately located do not and can not make a like contribution except through mutual cooperation. The old balance of power, mutual alliances, and great military forces were not brought about by any mutual dislike for independence, but resulted from the domination of circumstances. Ultimately they were forced on us. Like all others engaged in the war, whatever we said, as a matter of fact we joined an alliance, we became a military power, we impaired our independence. We have more at stake than any one else in avoiding a repetition of that calamity. Wars do not spring into existence. They arise from small incidents and trifling irritations which can be adjusted by an international court. We can contribute greatly to the advancement of our ideals by joining with other nations in maintaining such a tribunal.

FOREIGN DEBTS

Gradually, settlements have been made which provide for the liquidation of debts due to our Government from foreign governments. Those made with Great Britain, Finland, Hungary, Lithuania, and Poland have already been approved by the Congress. Since the adjournment, further agreements have been entered into with Belgium, Czechoslovakia, Latvia, Esthonia, Italy, and Roumania. These 11 nations, which have already made settlements, represent $6,419,528,641 of the original principal of the loans. The principal sums without interest, still pending, are the debt of France, of $3,340,000,000; Greece, $15,000,000; Jugoslavia, $51,000,000; Liberia, $26,000; Russia, $192,000,000, which those at present in control have undertaken openly to repudiate; Nicaragua, $84,000, which is being paid currently; and Austria, $24,000,000, on which by act of Congress a moratorium of 20 years has been granted. The only remaining sum is $12,000,000, due from Armenia, which has now ceased to exist as an independent nation.

In accordance with the settlements made, the amount of principal and interest which is to be paid to the United States under these agreements aggregates $15,200,688,253.93. It is obvious that the remaining settlements, which will undoubtedly be made, will bring this sum up to an amount which will more than equal the principal due on our present national debt. While these settlements are very large in the aggregate, it has been felt that the terms granted were in all cases very generous. They impose no undue burden and are mutually beneficial in the observance of international faith and the improvement of international credit.

Every reasonable effort will be made to secure agreements for liquidation with the remaining countries, whenever they are in such condition that they can be made. Those which have already been negotiated under the bipartisan commission established by the Congress have been made only after the most thoroughgoing and painstaking investigation, continued for a long time before meeting with the representatives of the countries concerned. It is believed that they represent in each instance the best that can be done and the wisest settlement that can be secured. One very important result is the stabilization of foreign currency, making exchange assist rather than embarrass our trade. Wherever sacrifices have been made of money, it will be more than amply returned in better understanding and friendship, while in so far as these adjustments will contribute to the financial stability of the debtor countries, to their good order, prosperity, and progress, they represent hope of improved trade relations and mutual contributions to the civilization of the world.

Negotiations are progressing among the interested parties in relation to the final distribution of the assets in the hands of the Alien Property Custodian. Our Government and people are interested as creditors; the German Government and people are interested as debtors and owners of the seized property. Pending the outcome of these negotiations, I do not recommend any affirmative legislation. For the present we should continue in possession of this property which we hold as security for the settlement of claims due to our people and our Government.

IMMIGRATION

While not enough time has elapsed to afford a conclusive demonstration, such results as have been secured indicate that our immigration law is on the whole beneficial. It is undoubtedly a protection to the wage earners of this country. The situation should, however, be carefully surveyed, in order to ascertain whether it is working a needless hardship upon our own inhabitants. If it deprives them of the comfort and society of those bound to them by close family ties, such modifications should be adopted as will afford relief, always in accordance with the principle that our Government owes its first duty to our own people and that no alien, inhabitant of another country, has any legal rights whatever under our Constitution and laws. It is only through treaty, or through residence here, that such rights accrue. But we should not, however, be forgetful of the obligations of a common humanity.

While our country numbers among its best citizens many of those of foreign birth, yet those who now enter in violation of our laws by that very act thereby place themselves in a class of undesirables. If investigation reveals that any considerable number are coming here in defiance

of our immigration restrictions, it will undoubtedly create the necessity for the registration of all aliens. We ought to have no prejudice against an alien because he is an alien. The standard which we apply to our inhabitants is that of manhood, not place of birth. Restrictive immigration is to a large degree for economic purposes. It is applied in order that we may not have a larger annual increment of good people within our borders than we can weave into our economic fabric in such a way as to supply their needs without undue injury to ourselves.

NATIONAL DEFENSE

Never before in time of peace has our country maintained so large and effective a military force as it now has. The Army, Navy, Marine Corps, National Guard, and Organized Reserves represent a strength of about 558,400 men. These forces are well trained, well equipped, and high in morale.

A sound selective service act giving broad authority for the mobilization in time of peril of all the resources of the country, both persons and materials, is needed to perfect our defensive policy in accordance with our ideals of equality. The provision for more suitable housing to be paid for out of funds derived from the sale of excess lands, pending before the last Congress, ought to be brought forward and passed. Reasonable replacements ought to be made to maintain a sufficient ammunition reserve.

The Navy has the full treaty tonnage of capital ships. Work is going forward in modernizing the older ones, building aircraft carriers, additional fleet submarines, and fast scout cruisers, but we are carefully avoiding anything that might be construed as a competition in armaments with other nations. The joint Army and Navy maneuvers at Hawaii, followed by the cruise of a full battle fleet to Australia and New Zealand, were successfully carried out. These demonstrations revealed a most satisfactory condition of the ships and the men engaged.

Last year at my suggestion the General Board of the Navy made an investigation and report on the relation of aircraft to warships. As a result authorizations and appropriations were made for more scout cruisers and fleet submarines and for completing aircraft carriers and equipping them with necessary planes. Additional training in aviation was begun at the Military and Naval Academies. A method of coordination and cooperation of the Army and Navy and the principal aircraft builders is being perfected. At the suggestion of the Secretaries of War and Navy I appointed a special board to make a further study of the problem of aircraft.

The report of the Air Board ought to be reassuring to the country, gratifying to the service and satisfactory to the Congress. It is thor-

oughly complete and represents the mature thought of the best talent in the country. No radical change in organization of the service seems necessary. The Departments of War, Navy, and Commerce should each be provided with an additional assistant secretary, not necessarily with statutory duties but who would be available under the direction of the Secretary to give especial attention to air navigation. We must have an air strength worthy of America. Provision should be made for two additional brigadier generals for the Army Air Service. Temporary rank corresponding to their duties should be awarded to active flying officers in both Army and Navy.

Aviation is of great importance both for national defense and commercial development. We ought to proceed in its improvement by the necessary experiment and investigation. Our country is not behind in this art. It has made records for speed and for the excellence of its planes. It ought to go on maintaining its manufacturing plants capable of rapid production, giving national assistance to the laying out of airways, equipping itself with a moderate number of planes, and keeping an air force trained to the highest efficiency.

While I am a thorough believer in national defense and entirely committed to the policy of adequate preparation, I am just as thoroughly opposed to instigating or participating in a policy of competitive armaments. Nor does preparation mean a policy of militarizing. Our people and industries are solicitous for the cause of our country, and have great respect for the Army and Navy and for the uniform worn by the men who stand ready at all times for our protection to encounter the dangers and perils necessary to military service, but all of these activities are to be taken not in behalf of aggression but in behalf of peace. They are the instruments by which we undertake to do our part to promote good will and support stability among all peoples.

VETERANS

If any one desires to estimate the esteem in which the veterans of America are held by their fellow citizens, it is but necessary to remember that the current budget calls for an expenditure of about $650,000,000 in their behalf. This is nearly the amount of the total cost of the National Government, exclusive of the post office, before we entered the last war.

At the two previous sessions of Congress legislation affecting veterans' relief was enacted and the law liberalized. This legislation brought into being a number of new provisions tending more nearly to meet the needs of our veterans, as well as afford the necessary authority to perfect the administration of these laws.

Experience with the new legislation so far has clearly demonstrated its constructive nature. It has increased the benefits received by many and has made eligible for benefits many others. Direct disbursements to the veteran or his dependents exceeding $21,000,000 have resulted, which otherwise would not have been made. The degree of utilization of our hospitals has increased through making facilities available to the incapacitated veteran regardless of service origin of the disability. This new legislation also has brought about a marked improvement of service to the veteran.

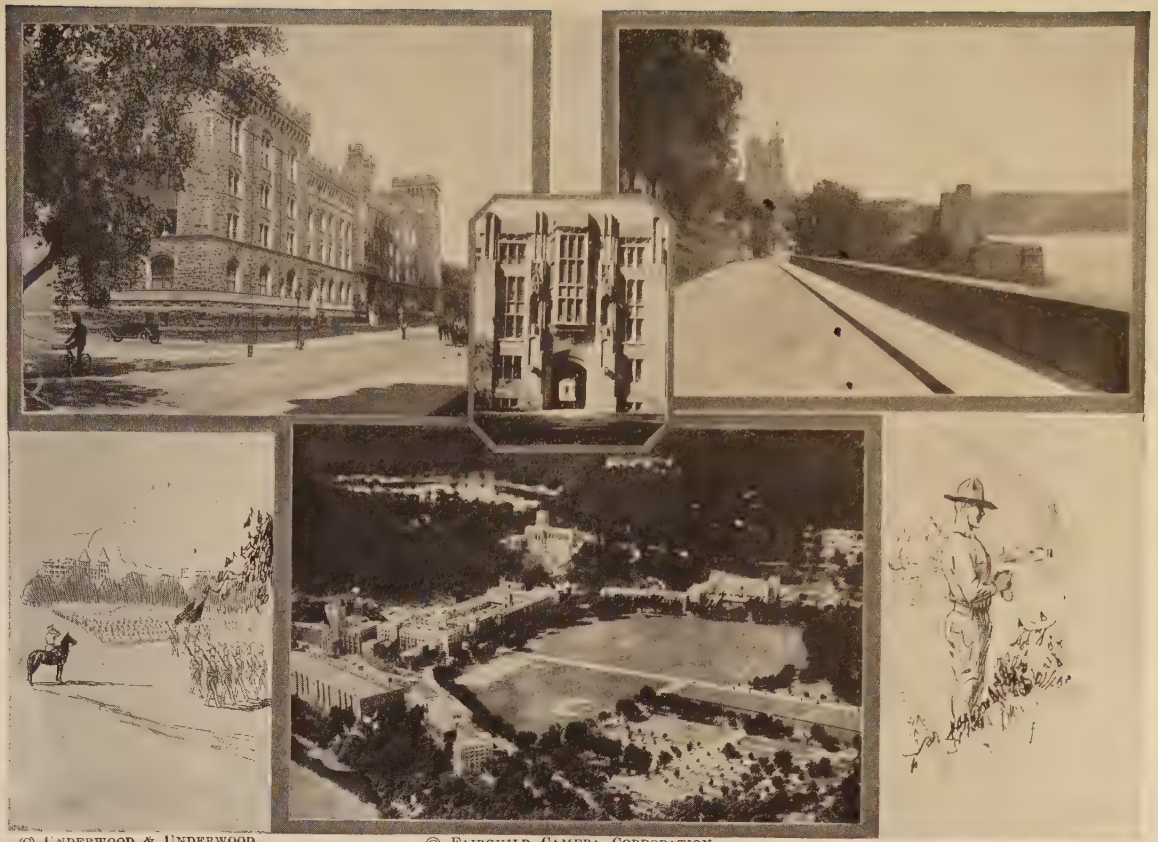
The organizations of ex-service men have proposed additional legislative changes which you will consider, but until the new law and the modifications made at the last session of Congress are given a more thorough test further changes in the basic law should be few and made only after careful though sympathetic consideration.

The principal work now before the Veterans' Bureau is the perfection of its organization and further improvements in service. Some minor legislative changes are deemed necessary to enable the bureau to retain that high grade of professional talent essential in handling the problems of the bureau. Such changes as tend toward the improvement of service and the carrying forward to completion of the hospital construction program are recommended for the consideration of the proper committees of Congress.

With the enormous outlay that is now being made in behalf of the veterans and their dependents, with a tremendous war debt still requiring great annual expenditure, with the still high rate of taxation, while every provision should be made for the relief of the disabled and the necessary care of dependents, the Congress may well consider whether the financial condition of the Government is not such that further bounty through the enlargement of general pensions and other emoluments ought not to be postponed.

AGRICULTURE

No doubt the position of agriculture as a whole has very much improved since the depression of three and four years ago. But there are many localities and many groups of individuals, apparently through no fault of their own, sometimes due to climatic conditions and sometimes to the prevailing price of a certain crop, still in a distressing condition. This is probably temporary, but it is none the less acute. National Government agencies, the Departments of Agriculture and Commerce, the Farm Loan Board, the intermediate credit banks, and the Federal Reserve Board are all cooperating to be of assistance and relief. On the other hand, there are localities and individuals who have had one of their most prosperous years. The general price level is



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VIEWS OF THE UNITED STATES MILITARY ACADEMY AT WEST POINT

MILITARY ACADEMY, WEST POINT.

It is interesting to compare these recent views of the institution in which the United States trains young men to be officers in its army, especially the panorama taken from an airplane flying over the Hudson River, with the view of West Point in 1840, opposite page 1617.

The story of the founding and development of the United States Military Academy is outlined in the Encyclopedic Index, under Military Academy. The article describes also the requirements for entrance and the course of instruction, and is followed by a list of references to discussions concerning the Military Academy by our Presidents. George Washington's recommendation for its establishment is to be found on page 194, and the Senate's reception of the idea, on page 197. The need for enlargement soon after its founding is discussed by President Madison on pages 471 and 551.

One of the greatest military leaders of the nineteenth century was Ulysses S. Grant. He was trained for army service at West Point, and it is hence all the more interesting to read his recommendations concerning the institution after he had become President. See page 4149.

fair, but here again there are exceptions both ways, some items being poor while others are excellent. In spite of a lessened production the farm income for this year will be about the same as last year and much above the three preceding years.

Agriculture is a very complex industry. It does not consist of one problem, but of several. They can not be solved at one stroke. They have to be met in different ways, and small gains are not to be despised.

It has appeared from all the investigations that I have been able to make that the farmers as a whole are determined to maintain the independence of their business. They do not wish to have meddling on the part of the Government or to be placed under the inevitable restrictions involved in any system of direct or indirect price-fixing, which would result from permitting the Government to operate in the agricultural markets. They are showing a very commendable skill in organizing themselves to transact their own business through cooperative marketing, which will this year turn over about $2,500,000,000, or nearly one-fifth of the total agricultural business. In this they are receiving help from the Government. The Department of Agriculture should be strengthened in this facility in order to be able to respond when these marketing associations want help. While it ought not to undertake undue regulation, it should be equipped to give prompt information on crop prospects, supply, demand, current receipts, imports, exports and prices.

A bill embodying these principles, which has been drafted under the advice and with the approval of substantially all the leaders and managers in the cooperative movement, will be presented to the Congress for its enactment. Legislation should also be considered to provide for leasing the unappropriated public domain for grazing purposes and adopting a uniform policy relative to grazing on the public lands and in the national forests.

A more intimate relation should be established between agriculture and the other business activities of the nation. They are mutually dependent and can each advance their own prosperity most by advancing the prosperity of the other. Meantime the Government will continue those activities which have resulted in an unprecedented amount of legislation and the pouring out of great sums of money during the last five years. The work for good roads, better land and water transportation, increased support for agricultural education, extension of credit facilities through the Farm Loan Boards and the intermediate credit banks, the encouragement of orderly marketing and a repression of wasteful speculation, will all be continued.

Following every other depression, after a short period the price of farm produce has taken and maintained the lead in the advance. This advance had reached a climax before the war. Everyone will recall the

discussion that went on for four or five years prior to 1914 concerning the high cost of living. This history is apparently beginning to repeat itself. While wholesale prices of other commodities have been declining, farm prices have been increasing. There is every reason to suppose that a new era in agricultural prosperity lies just before us, which will probably be unprecedented.

MUSCLE SHOALS

The problem of Muscle Shoals seems to me to have assumed a place all out of proportion with its real importance. It probably does not represent in market value much more than a first-class battleship, yet it has been discussed in the Congress over a period of years and for months at a time. It ought to be developed for the production of nitrates primarily, and incidentally for power purposes. This would serve defensive, agricultural, and industrial purposes. I am in favor of disposing of this property to meet these purposes. The findings of the special commission will be transmitted to the Congress for their information. I am convinced that the best possible disposition can be made by direct authorization of the Congress. As a means of negotiation I recommend the immediate appointment of a small joint special committee chosen from the appropriate general standing committees of the House and Senate to receive bids, which when made should be reported with recommendations as to acceptance, upon which a law should be enacted, effecting a sale to the highest bidder who will agree to carry out these purposes.

If anything were needed to demonstrate the almost utter incapacity of the national Government to deal directly with an industrial and commercial problem, it has been provided by our experience with this property. We have expended vast fortunes, we have taxed everybody, but we are unable to secure results which benefit anybody. This property ought to be transferred to private management under conditions which will dedicate it to the public purpose for which it was conceived.

RECLAMATION

The national Government is committed to a policy of reclamation and irrigation which it desires to establish on a sound basis and continue in the interest of the localities concerned. Exhaustive studies have recently been made of federal reclamation, which have resulted in improving the projects and adjusting many difficulties. About one third of the projects is in good financial condition, another third can probably be made profitable, while the other third is under unfavorable conditions.

The Congress has already provided for a survey which will soon be embodied in a report. That ought to suggest a method of relief which will make unnecessary further appeals to the Congress. Unless this can be done, federal reclamation will be considerably retarded. With the greatly increased cost of construction and operation, it has become necessary to plan in advance, by community organization and selective agriculture, methods sufficient to repay these increasing outlays.

The human and economic interests of the farmer citizens suggest that the states should be required to exert some effort and assume some responsibility, especially in the intimate, detailed, and difficult work of securing settlers and developing farms which directly profit them, but only indirectly and remotely can reimburse the nation. It is believed that the federal Government should continue to be the agency for planning and constructing the great undertakings needed to regulate and bring into use the rivers of the West, many of which are interstate in character, but the detailed work of creating agricultural communities and a rural civilization on the land made ready for reclamation ought to be either transferred to the state in its entirety or made a cooperative effort of the state and federal Government.

SHIPPING

The maintenance of a merchant marine is of the utmost importance for national defense and the service of our commerce. We have a large number of ships engaged in that service. We also have a surplus supply, costly to care for, which ought to be sold. All the investigations that have been made under my direction, and those which have been prosecuted independently, have reached the conclusion that the fleet should be under the direct control of a single executive head, while the Shipping Board should exercise its judicial and regulatory functions in accordance with its original conception. The report of Henry G. Dalton, a business man of broad experience, with a knowledge of shipping, made to me after careful investigation, will be transmitted for the information of the Congress, the studies pursued under the direction of the United States Chamber of Commerce will also be accessible, and added to these will be the report of the special committee of the House.

I do not advocate the elimination of regional considerations, but it has become apparent that without centralized executive action the management of this great business, like the management of any other great business, will flounder in incapacity and languish under a division of council. A plain and unmistakable reassertion of this principle of unified control, which I have always been advised was the intention of the Congress to apply, is necessary to increase the efficiency of our merchant fleet.

COAL

The perennial conflict in the coal industry is still going on to the great detriment of the wage earners, the owners, and especially to the public. With deposits of coal in this country capable of supplying its needs for hundreds of years, inability to manage and control this great resource for the benefit of all concerned is very close to a national economic failure. It has been the subject of repeated investigation and reiterated recommendation. Yet the industry seems never to have accepted modern methods of adjusting differences between employers and employees. The industry could serve the public much better and become subject to a much more effective method of control if regional consolidations and more freedom in the formation of marketing associations, under the supervision of the Department of Commerce, were permitted.

At the present time the national Government has little or no authority to deal with this vital necessity of the life of the country. It has permitted itself to remain so powerless that its only attitude must be humble supplication. Authority should be lodged with the President and the Departments of Commerce and Labor, giving them power to deal with an emergency. They should be able to appoint temporary boards with authority to call for witnesses and documents, conciliate differences, encourage arbitration, and in case of threatened scarcity exercise control over distribution. Making the facts public under these circumstances through a statement from an authoritative source would be of great public benefit. The report of the last coal commission should be brought forward, reconsidered, and acted upon.

PROHIBITION

Under the orderly processes of our fundamental institutions the Constitution was lately amended providing for national prohibition. The Congress passed an act for its enforcement, and similar acts have been provided by most of the states. It is the law of the land. It is the duty of all who come under its jurisdiction to observe the spirit of that law, and it is the duty of the Department of Justice and the Treasury Department to enforce it. Action to prevent smuggling, illegal transportation in interstate commerce, abuse in the use of permits, and existence of sources of supply for illegal traffic is almost entirely imposed upon the federal Government.

Through treaties with foreign governments and increased activities of the Coast Guard, revenue agents, district attorneys, and enforcement agents effort is being made to prevent these violations. But the Constitution also puts a concurrent duty on the states. We need their active and energetic cooperation, the vigilant action of their police, and the

jurisdiction of their courts to assist in enforcement. I request of the people observance, of the public officers continuing efforts for enforcement, and of the Congress favorable action on the budget recommendation for the prosecution of this work.

WATERWAY DEVELOPMENT

For many years our country has been employed in plans and operations for the development of our intracoastal and inland waterways. This work along our coast is an important adjunct to our commerce. It will be carried on, together with the further opening up of our harbors, as our resources permit. The Government made an agreement during the war to take over the Cape Cod Canal, under which the owners made valuable concessions. This pledged faith of the Government ought to be redeemed.

Two other main fields are under consideration. One is the Great Lakes and St. Lawrence, including the Erie Canal. This includes stabilizing the lake level, and is both a waterway and power project. A joint commission of the United States and Canada is working on plans and surveys which will not be completed until next April. No final determination can be made, apparently, except under treaty as to the participation of both countries. The other is the Mississippi River system. This is almost entirely devoted to navigation. Work on the Ohio River will be completed in about three years. A modern channel connecting Chicago, New Orleans, Kansas City, and Pittsburgh should be laid out and work on the tributaries prosecuted. Some work is being done of a preparatory nature along the Missouri, and large expenditures are being made yearly in the lower reaches of the Mississippi and its tributaries which contribute both to flood control and navigation. Preliminary measures are being taken on the Colorado River project, which is exceedingly important for flood control, irrigation, power development, and water supply to the area concerned. It would seem to be very doubtful, however, whether it is practical to secure affirmative action of the Congress, except under a joint agreement of the several states.

The Government has already expended large sums upon scientific research and engineering investigation in promotion of this Colorado River project. The actual progress has been retarded for many years by differences among the seven states in the basin over their relative water rights and among different groups as to methods. In an attempt to settle the primary difficulty of the water rights, Congress authorized the Colorado River Commission which agreed on November 24, 1922, upon an interstate compact to settle these rights, subject to the ratification of the state legislatures and Congress. All seven states except

Arizona at one time ratified, the Arizona Legislature making certain reservations which failed to meet the approval of the governor. Subsequently an attempt was made to establish the compact upon a six-state basis, but in this case California imposed reservations. There appears to be no division of opinion upon the major principles of the compact, but difficulty in separating contentions as to methods of development from the discussion of it. It is imperative that flood control be undertaken for California and Arizona, preparation made for irrigation, for power, and for domestic water.

Some or all of these questions are combined in every proposed development. The federal Government is interested in some of these phases, state governments and municipalities and irrigation districts in others, and private corporations in still others. Because of all this difference of view it is most desirable that Congress should consider the creation of some agency that will be able to determine methods of improvement solely upon economic and engineering facts, that would be authorized to negotiate and settle, subject to the approval of Congress, the participation, rights, and obligations of each group in any particular works. Only by some such method can early construction be secured.

Along with the development of navigation should go every possible encouragement for the development of our water power. While steam still plays a dominant part, this is more and more becoming an era of electricity. Once installed, the cost is moderate, has not tended greatly to increase, and is entirely free from the unavoidable dirt and disagreeable features attendant upon the burning of coal. Every facility should be extended for the connection of the various units into a superpower plant, capable at all times of a current increasing uniformity over the entire system.

RAILROADS

The railroads throughout the country are in a fair state of prosperity. Their service is good and their supply of cars is abundant. Their condition would be improved and the public better served by a system of consolidations. I recommend that the Congress authorize such consolidations under the supervision of the Interstate Commerce Commission, with power to approve or disapprove when proposed parts are excluded or new parts added. I am informed that the railroad managers and their employees have reached a substantial agreement as to what legislation is necessary to regulate and improve their relationship. Whenever they bring forward such proposals, which seem sufficient also to protect the interests of the public, they should be enacted into law.

It is gratifying to report that both the railroad managers and railroad employees are providing boards for the mutual adjustment of differences in harmony with the principles of conference, conciliation, and arbitra-

tion. The solution of their problems ought to be an example to all other industries. Those who ask the protections of civilization should be ready to use the methods of civilization.

A strike in modern industry has many of the aspects of war in the modern world. It injures labor and it injures capital. If the industry involved is a basic one, it reduces the necessary economic surplus and, increasing the cost of living, it injures the economic welfare and general comfort of the whole people. It also involves a deeper cost. It tends to embitter and divide the community into warring classes and thus weakens the unity and power of our national life.

Labor can make no permanent gains at the cost of the general welfare. All the victories won by organized labor in the past generation have been won through the support of public opinion. The manifest inclination of the managers and employees of the railroads to adopt a policy of action in harmony with these principles marks a new epoch in our industrial life.

MISCELLANEOUS

The time has come for careful investigation of the expenditures and success of the laws by which we have undertaken to administer our outlying possessions. A very large amount of money is being expended for administration in Alaska. It appears so far out of proportion to the number of inhabitants and the amount of production as to indicate cause for thorough investigation. Likewise consideration should be given to the experience under the law which governs the Philippines. From such reports as reach me there are indications that more authority should be given to the Governor General, so that he will not be so dependent upon the local legislative body to render effective our efforts to set an example of the sound administration and good government, which is so necessary for the preparation of the Philippine people for self-government under ultimate independence. If they are to be trained in these arts, it is our duty to provide for them the best that there is.

The act of March 3, 1911, ought to be amended so that the term of years of service of judges of any court of the United States requisite for retirement with pay shall be computed to include not only continuous but aggregate service.

The Government ought always to be alert on the side of the humanities. It ought to encourage provisions for economic justice for the defenseless. It ought to extend its relief through its national and local agencies, as may be appropriate in each case, to the suffering and the needy. It ought to be charitable.

Although more than forty of our states have enacted measures in aid of motherhood, the District of Columbia is still without such a law. A carefully considered bill will be presented, which ought to have most

thoughtful consideration in order that the Congress may adopt a measure which will be hereafter a model for all parts of the Union.

In 1883 the Congress passed the civil service act, which from a modest beginning of 14,000 employees has grown until there are now 425,000 in the classified service. This has removed the clerical force of the nation from the wasteful effects of the spoils system and made it more stable and efficient. The time has come to consider classifying all postmasters, collectors of customs, collectors of internal revenue, and prohibition agents, by an act covering in those at present in office, except when otherwise provided by Executive order.

The necessary statistics are now being gathered to form the basis of a valuation of the civil service retirement fund based on current conditions of the service. It is confidently expected that this valuation will be completed in time to be made available to the Congress during the present session. It will afford definite knowledge of existing and future liabilities under the present law and determination of liabilities under any proposed change in the present law. We should have this information before creating further obligations for retirement annuities which will become liabilities to be met in the future from the money of the taxpayer.

The classification act of 1923, with the subsequent legislative action providing for adjustment of the compensation of field service positions, has operated materially to improve employment conditions in the federal service. The administration of the act is in the hands of an impartial board, functioning without the necessity of a direct appropriation. It would be inadvisable at this time to place in other hands the administration of this act.

The proper function of the Federal Trade Commission is to supervise and correct those practices in commerce which are deterimental to fair competition. In this it performs a useful function and should be continued and supported. It was designed also to be a help to honest business. In my message to the Sixty-eighth Congress I recommended that changes in the procedure then existing be made. Since then the commission by its own action has reformed its rules, giving greater speed and economy in the disposal of its cases and full opportunity for those accused to be heard. These changes are improvements and, if necessary, provision should be made for their permanency.

No final action has yet been taken on the measure providing for the reorganization of the various departments. I therefore suggest that this measure, which will be of great benefit to the efficient and economical administration of the business of the Government, be brought forward and passed.

Nearly one-tenth of our population consists of the negro race. The progress which they have made in all the arts of civilization in the last

sixty years is almost beyond belief. Our country has no more loyal citizens. But they do still need sympathy, kindness, and helpfulness. They need reassurance that the requirements of the Government and society to deal out to them even-handed justice will be met. They should be protected from all violence and supported in the peaceable enjoyment of the fruits of their labor. Those who do violence to them should be punished for their crimes. No other course of action is worthy of the American people.

Our country has many elements in its population, many different modes of thinking and living, all of which are striving in their own way to be loyal to the high ideals worthy of the crown of American citizenship. It is fundamental of our institutions that they seek to guarantee to all our inhabitants the right to live their own lives under the protection of the public law. This does not include any license to injure others materially, physically, morally, to incite revolution, or to violate the established customs which have long had the sanction of enlightened society.

But it does mean the full right to liberty and equality before the law without distinction of race or creed. This condition can not be granted to others, or enjoyed by ourselves, except by the application of the principle of broadest tolerance. Bigotry is only another name for slavery. It reduces to serfdom not only those against whom it is directed, but also those who seek to apply it. An enlarged freedom can only be secured by the application of the golden rule. No other utterance ever presented such a practical rule of life.

It is apparent that we are reaching into an era of great general prosperity. It will continue only so long as we shall use it properly. After all, there is but a fixed quantity of wealth in this country at any fixed time. The only way that we can all secure more of it is to create more. The element of time enters into production. If the people have sufficient moderation and contentment to be willing to improve their condition by the process of enlarging production, eliminating waste, and distributing equitably, a prosperity almost without limit lies before us. If the people are to be dominated by selfishness, seeking immediate riches by nonproductive speculation and by wasteful quarreling over the returns from industry, they will be confronted by the inevitable results of depression and privation. If they will continue industrious and thrifty, contented with fair wages and moderate profits, and the returns which accrue from the development of our natural resources, our prosperity will extend itself indefinitely.

In all your deliberations you should remember that the purpose of legislation is to translate principles into action. It is an effort to have our country be better by doing better. Because the thoughts and ways of people are firmly fixed and not easily changed, the field within which

immediate improvement can be secured is very narrow. Legislation can provide opportunity. Whether it is taken advantage of or not depends upon the people themselves. The Government of the United States has been created by the people. It is solely responsible to them. It will be most successful if it is conducted solely for their benefit. All its efforts would be of little avail unless they brought more justice, more enlightenment, more happiness and prosperity into the home. This means an opportunity to observe religion, secure education, and earn a living under a reign of law and order. It is the growth and improvement of the material and spiritual life of the nation. We shall not be able to gain these ends merely by our own action. If they come at all, it will be because we have been willing to work in harmony with the abiding purpose of a Divine Providence.

CALVIN COOLIDGE.

1925 BUDGET MESSAGE

THE WHITE HOUSE, *December 7, 1925.*

To the Congress of the United States:

I transmit herewith the budget of the United States for the fiscal year ending June 30, 1927. The receipts and expenditures shown in detail in the budget are summarized in the following statement:

Summary (Exclusive of Postal Revenues and Postal Expenditures Paid From Postal Revenues)

	Estimated, 1927.	Estimated, 1926.	Actual, 1925.
Total receipts.....	$3,824,530,203	$3,880,716,942	$3,780,148,684
Total expenditures (including reduction of the public debt required by law to be made from ordinary receipts)	3,494,222,308	3,618,675,186	3,529,643,446
Excess of receipts..	$330,307,894	$262,041,756	$250,505,238

The budget for the fiscal year 1926, transmitted to the Congress December 1, 1924, indicated that for the fiscal year ended June 30, 1925, there would be a surplus of receipts over expenditures of $67,884,489. The actual surplus was $250,505,238. This gratifying difference between estimates and actual results was due mainly to unexpected increases in receipts, though a reduction in expenditures helped to swell the total.

In that budget it was estimated that receipts for the current fiscal

year, 1926, would amount to $3,641,295,092 and expenditures $3,267,-551,378, forecasting a surplus of receipts over expenditures of $373,-743,714. This estimate, which was made one year ago, has materially changed. On the receipt side of the ledger the operations of the first five months of this fiscal year indicate that we will receive $3,880,716,-000, or approximately $239,420,000 more than was estimated a year ago. There is an estimated increase of $143,125,000 alone in our internal revenue, which indicates plainly the stimulating influence on business of the last tax reduction law. On the other side of the ledger the expenditures estimated a year ago as $3,267,551,000 stand increased today to an estimated total of $3,618,675,000, an increase of $351,124,-000. The indications today are that the surplus for 1926 will amount to $262,041,000.

It is appropriate here to mention the principal items which enter into this increase in estimated expenditures for the current fiscal year, for which it will be necessary to submit supplemental estimates to the Congress. The budget for 1926 carried an estimate of $50,000,000 for the second payment to the adjusted service certificate fund established under the World War Adjusted Compensation Act of May 19, 1924. In submitting that estimate it was stated that should the number of applications increase beyond what the then conditions indicated as being probable a supplemental estimate for the additional amount found necessary would be presented. The indications to-day are that there will be issued not less than 3,400,000 certificates of insurance at an average cost of $1,033 each. On this basis the cost of the World War Adjusted Compensation Act will reach $3,500,000,000. The law contemplates that the financial obligation which it creates shall be equally distributed over a period of 20 years. To meet this obligation will require a payment of $106,000,000 to the fund on January 1, 1926, in addition to the $50,000,000 already appropriated. Subsequent payments to the fund will require approximately $140,000,000 annually.

To meet refundment of taxes illegally collected it was estimated that our expenditures for 1926 would amount to $90,000,000. The indications to-day are that $151,000,000 will be required, a difference of $61,000,000. The funds on hand July 1, 1925, amounted to $60,000,000, which are now practically exhausted. An additional amount of $91,-000,000 will therefore be required to meet the refunds for the remainder of the current fiscal year.

For federal aid to post roads, an additional amount of $23,000,000 will be required this fiscal year, and to meet the estimated deficit in postal revenues $37,100,000 will be required. This latter requirement grows out of the postal pay act which operated to change an estimated surplus of $10,000,000 in postal revenues over postal expenditures to the deficit above stated.

The next item of importance is that of pensions, for which it is estimated an additional $8,000,000 will be required this fiscal year.

The outlook for the coming fiscal year, 1927, is most favorable. For that year it is estimated that the ordinary receipts will be $3,824,530,000 and expenditures $3,494,222,000. This indicates a surplus of $330,307,000.

The outlook for 1926 and 1927 shows clearly that the united effort of the executive and the legislative branches of the Government for economy in federal expenditure is bearing further fruit. In the last four fiscal years there have been two substantial reductions in taxes. We have restored to the people a part of the moneys which we required of them to finance the World War. We are now in that favorable position of making further restoration. The budget and accounting act contemplates that under the fortunate conditions in which we now find ourselves the chief executive will make recommendation to the Congress as to the disposition of the estimated surplus of revenue. I therefore recommend to the Congress that there be a further reduction in taxes. The satisfaction of the chief executive in having opportunity to make such a recommendation I know is shared by the Congress whose cooperation with the chief executive in the conservation of public funds has made such reduction in taxes possible.

The Ways and Means Committee of the House of Representatives has been informed of our prospective surplus for 1927. That committee has prepared a tax-reduction measure. While this measure somewhat exceeds my judgment in amount and in exemptions, yet with continuing pressure for economy in the federal service and the stimulation to business which will result from tax reduction, perhaps we can make further reduction in taxes of about the sum total of our prospective surplus for 1927 without jeopardizing the balancing of our annual Budget. Such reduction, however, should carry an obligation not to embark upon new projects involving large annual expenditure if we are to safeguard the integrity of our Budget.

The fruits of our labors are reflected in the coming tax reduction measure. It reflects the results of the efforts of the servants of the people and of their representatives in behalf of the people. There have been no partisan politics in expediting its preparation. I hope this same condition will prevail in the consideration of the measure.

This brings us to the estimates of appropriations contained in this Budget. These estimates reflect the continuing pressure for economy in federal expenditure. We have about reached the time when the legitimate business of Government can not be carried on at a less expenditure that that which it now requires. With regard to our legitimate business the operating costs have been reduced to nearly a minimum. The normal expansion of the business of the Government in keeping pace

with a growing nation will involve added expenditure from year to year. The effort for economy, however, must continue. So far as it lies within the power of the chief executive it will continue.

In the following table a comparison is made of the appropriations for 1926 with the estimates for 1927:

Estimates of appropriation for 1927 compared with appropriations for 1926

	Estimates of appropriations, 1927	Appropriations 1926
Legislative establishment	$16,498,381.70	$14,915,001.80
Executive Office	441,960.00	489,960.00
Independent Offices:		
Civil Service Commission	1,001,592.00	1,008,092.00
Employees' Compensation Commission	2,742,040.00	2,301,500.00
Federal Board of Vocational Education	8,210,620.00	8,227,000.00
Federal Trade Commission	997,000.00	1,008,000.00
General Accounting Office	3,714,400.00	3,701,960.00
Housing Corporation	674,398.00	743,915.00
Interstate Commerce Commission	6,033,309.25	6,853,962.00
Public Buildings and Public Parks	2,293,850.00	2,282,505.00
Traffic Commission	699,000.00	721,500.00
Shipping Board and Emergency Fleet Corporation	14,198,574.00	24,330,000.00
Smithsonian Institution and National Museum	858,240.00	874,020.00
United States Veterans' Bureau	458,965,000.00	405,700,000.00
Other Independent Offices	4,879,876.00	1,578,045.00
Total, Executive Office and Independent Offices	505,709,859.25	459,820,459.00
Department of Agriculture	140,717,758.00	138,075,191.00
Department of Commerce	30,402,847.00	28,542,129.00
Department of the Interior	250,967,602.00	262,255,603.50
Department of Justice	24,367,027.00	24,205,822.00
Department of Labor	8,567,305.00	8,627,625.00
Navy Department	322,869,430.00	302,862,378.00
State Department	16,614,932.64	16,277,652.51
Treasury Department	157,563,713.63	153,708,404.50
War Department, including Panama Canal	335,641,525.00	339,765,931.00
District of Columbia	35,626,579.00	36,032,853.00
Total, ordinary	1,845,546,960.22	1,785,089,050.31
Reduction in principal of the public debt:		
Sinking fund	339,423,648.44	325,304,445.00
Redemption of securities from Federal reserve bank and Federal intermediate credit bank franchise tax receipts	1,000,000.00	1,000,000.00
Redemption of bonds, etc., received as repayments of principal and as interest payments on obligations of foreign governments	175,159,750.00	174,124,150.00
Principal of the public debt	515,583,398.44	500,428,595.00
Interest on the public debt	795,000,000.00	820,000,000.00
Total payable from the Treasury	3,156,130,358.66	3,105,517,645.31
Post Office Department and Postal Service, payable from postal revenues	740,077,563.00	636,269,415.00
Total, including Post Office Department and Postal Service	3,896,207,921.66	3,741,787,060.31

The foregoing table indicates that the estimates of appropriations for 1927, payable from the Treasury, will exceed by approximately $50,600,000 the amount of the appropriations for 1926. However, in making a comparison we should take into consideration the lawful obligations for 1926 which have been determined since the appropriations were made for that year. Taking these into consideration the estimates for 1927 are less than the appropriations and lawful obligations for 1926.

For the air services the estimates carry a total of $42,447,000, being $16,793,000 for the Army, $22,391,000 for the Navy, $2,750,000 for the air-mail service of the Post Office Department, and $513,000 for the National Advisory Committee for Aeronautics. These amounts include contract authorizations, but do not include funds provided in other Budget items for the pay of commissioned Air Service officers, pay, housing, and general maintenance for the enlisted Air Service personnel, and certain classes of supplies and services of a general character furnished for Air Service activities. If we include these items, the total for the Air Service in 1927 will amount to not less than $76,000,000. The estimates for the air services for 1927 are in furtherance of the program which was commenced this year. They propose procurement from the industries of airplanes, engines, and accessories to the amount of $20,954,000. The remaining $21,493,000 is for maintenance, operation, experimentation, and research. This Government is pursuing an orderly policy toward building up its air services. We realize that our national defense air problem is primarily an industrial problem. We also know that the airplane industry to-day is dependent almost entirely upon Government business for its development and growth. We do not contemplate any competition between the Government and industry in the production of airplanes. With the business already assured by the appropriations for the current year, and with the further assurance of the business contemplated by these estimates, there should be a normal and proper growth in this industry. If we continue this policy, there need be no fear of our national-defense situation in so far as air strength is concerned.

The estimates carry a total of $21,940,529 for prohibition enforcement. This includes $12,634,000 for the activities of the Coast Guard in preventing rum smuggling. As an adjunct to prohibition enforcement, the Coast Guard has proved most effective. Its activities should be enlarged and strengthened at the earliest date possible. To this end I propose to recommend to the Congress additional appropriations for the Coast Guard for the remainder of this fiscal year and for all of the next fiscal year. This contemplates enlargement of the Coast Guard fleet and personnel. Provision is not made in this Budget for this additional equipment and personnel for 1927 for the reason that it

should be presented to the Congress as one program, involving as it does the current as well as the next fiscal year. It is also proposed to recommend to the Congress that legislation be enacted which will authorize the construction of 10 new Coast Guard cutters which will cost approximately $9,000,000. While the initial cost of these cutters is large, we will effect an economy, as they will replace the destroyers now being used and which are expensive of operation. The normal functions of the Coast Guard alone require these additional cutters so that their construction will serve a twofold purpose. Every available resource of the Government will be employed for prohibition enforcement. The recommendations which I propose to make to the Congress are for the purpose of increasing this available force. Such reinforcement is needed. It should be provided.

In furtherance of the polity of backing this salutary law with the full power of the federal Government, funds are carried in these estimates for strengthening that branch of the Department of Justice which is charged with the prosecution of violators of its provisions.

Federal aid to states is annually requiring more than $109,000,000. The estimates for this purpose for 1927 amount to something in excess of $110,000,000. The principal item is for rural post roads, for which an appropriation is requested of $80,000,000. The law authorizing federal aid to states for the construction of rural post roads does not extend beyond the fiscal year 1927. The amount of $80,000,000 does not discharge our entire obligation under existing law. In addition to this amount, the authorizations for which moneys have not yet been appropriated amount to $116,700,000. Without further legislative action we therefore face an obligation of $116,700,000 over and above the amount carried in this estimate.

The federal Government has been generous in its participation in state road construction, having authorized appropriations amounting to $690,000,000. Federal contribution to state highway construction was probably necessary in the beginning. It has expedited and so coordinated construction that all expenditures would be reflected in a definite and approved connecting highway system. On the other hand, there is no question but that federal contributions have materially added to state expenditures of state funds. I am speaking for what I consider the best interest of the people. While federal taxes have been reduced, state and other governmental taxes have been steadily increasing. Federal aid to states has influenced this latter condition. We should keep in mind that the moneys which we have contributed to the states are taken from the people, who in turn also pay the moneys required by the states to finance their own portion of the cost. The entire cost falls upon the people. It is true that the necessity and demand for good roads are constantly increasing, but they should not be constructed faster than

the taxpayers can afford to pay for them. The amount that taxpayers can afford to pay can best be determined by the citizens of each state.

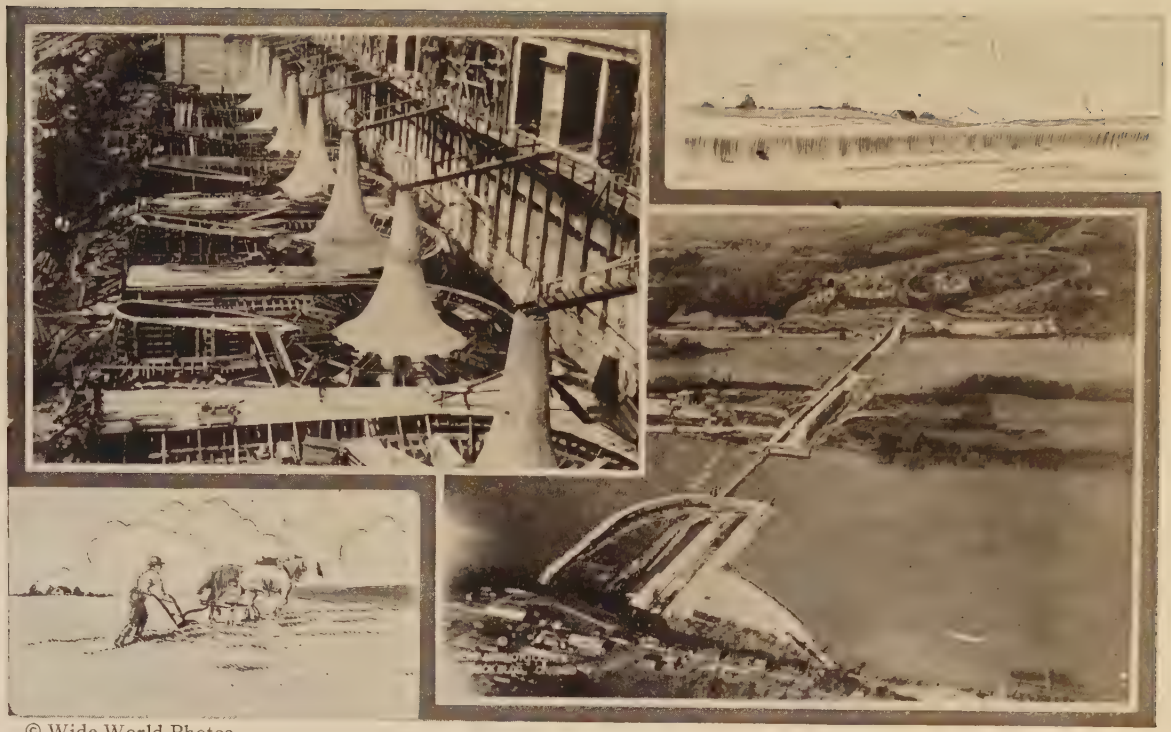
Since the inauguration of the present plan of federal aid for road construction the states have changed their methods of financing their portion of the expenses. A large majority of the states now exact a gasoline tax, thereby distributing the cost of road construction and maintenance to those who benefit by their use. The construction of roads within a state is purely a state matter and ultimately should be financed by state funds. Without further legislative enactment the states would carry on their construction to an amount which they can afford to spend on it. But the national Government is committed to the policy of assisting in the building of good roads. Commitments have been made both by the states and the nation in this direction. It is necessary to continue them for the present.

I do, however, recommend for the consideration of the Congress that future legislation restrict the Government's participation in the state road construction to primary or interstate highways, leaving it to the states to finance their secondary or intercounty highways. This would operate to diminish the amount of federal contribution.

For reclamation projects I am recommending $6,437,000. In making appropriations this fiscal year for reclamation projects the Congress laid down certain restrictions on the use of the funds for new construction. These restrictions contemplated that the Government would have assurance of the paying ability of the projects before funds were expended on them. I am in full accord with this policy. Its continuance is recommended in the estimates appearing in this Budget.

Again I urge upon the Congress the need of additional office buildings in the District of Columbia in the interest of federal efficiency and economy. The actual conditions that face some of the Government's most important activities because of lack of sufficient and suitable working space are almost inconceivable. The Department of Agriculture occupies 45 widely separated buildings in the District. The General Accounting Office is scattered in 20 different locations, while the Internal Revenue Bureau of the Treasury Department, with its financial problems involving the greater bulk of the Federal Government's receipts, is housed in 11 indifferent and in some cases most unsatisfactory offices. Efficient and economical administration for which we are striving is impossible under these conditions. I repeat my former recommendation that in the interest of good administration of federal business provision be made at once by the Congress for an annual appropriation of not in excess of $10,000,000 for the construction of buildings in the District of Columbia to properly house the Government's workers.

No general building bill has been enacted since before the war. This



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WILSON DAM, MUSCLE SHOALS

MUSCLE SHOALS NITRATE PLANT

The story of the great nitrate plant partially built by the Government during the World War on the Tennessee River, as well as the details of the offer for the plant made by Henry Ford, the Detroit automobile manufacturer, is presented in the Encyclopedic Index under "Muscle Shoals." On page 6777, President Roosevelt tells why he refused to grant water power rights at Muscle Shoals to a private corporation. The illustration shows the great Wilson Dam, one panel showing the giant concrete cones designed to turn turbines and the other showing a view of the Dam taken at a height of one thousand feet.

matter must necessarily come up for consideration. I am not in favor of the passage of an act which would be characterized as a general parceling out of favors that usually bears a name lacking in good repute. I am willing to approve an act similar in character to that which has already passed the House, providing a lump-sum appropriation to be expended under the direction of the Treasury, or any other proper authority, over a term of years, with such annual appropriations as the national finances could provide.

With regard to the physical plant of the Government, the policy was adopted of reaching a firm foundation before we attempted to build or rebuild. This was necessary because of the vast expansion of federal agencies and activities growing out of the World War. We could not hope, nor was it necessary, to maintain this vast war inheritance. The only reasonable and proper course was to ascertain what part of it we did need so that money would not be wasted on the other. The time has now been reached when we know approximately the Government plant which should be maintained and the additions which are essential thereto. I have already directed your attention to the need of additional federal buildings at the seat of government in order to adequately house and operate the business of the Government and protect its employees and records. The construction of federal buildings at strategic points throughout the United States will be of material assistance in the transaction of public business and reduce rentals. This is not as urgent as the need for buildings in the District of Columbia. There is urgent need for new permanent construction to house the Army. This has been neglected primarily because we had the temporary shelter erected during the World War, but this has reached a stage when it is real waste to expend further funds upon its repair. The Congress in appropriating for the War Department for the fiscal year 1925 directed a study of the housing situation of the Army with a view to having laid before it a plan looking to the sale of property held by the War Department and the utilization of the proceeds to the erection of permanent buildings at places selected for permanent military posts and camps. This plan, which was reflected in bills introduced in Congress during last session, would accomplish a very substantial commencement of the housing program for the Army. I commend this plan to the Congress for early consideration. It presents the means of meeting an urgent need.

The estimates include $140,000,000 to be credited to the adjusted service certificate fund established under the World War adjusted compensation act of May 19, 1924. This amount is necessary for the third payment to the fund to be made January 1, 1927. The applications received clearly indicate that $140,000,000 is the amount which should be paid into the fund on January 1, 1927.

During the fiscal year ended June 30, 1925, the gross public debt was reduced $734,619,101.59. This was brought about through (1) retirements required to be charged against ordinary receipts, in amount $466,538,113.83; (2) a reduction of $17,575,749.43 in the general fund balance, and (3) the application of the entire surplus of $250,505,238.33. The debt was at its peak on August 31, 1919, when the gross amount outstanding was $26,596,701,648.01. The gross amount outstanding on June 30, 1925, was $20,516,193,887.90. The reduction accordingly has been $6,080,507,760.11, and the annual saving in interest amounts to more than $250,000,000.

Certain fixed debt charges for debt retirement are included in the regular budget of the Government. This policy, which has become firmly established and which provides for an orderly retirement of the public debt, was inaugurated by the Congress in establishing the cumulative sinking fund and in directing that certain miscellaneous sources of revenue, including the repayment of loans to foreign Governments made under authority of the Liberty Bond acts, should be applied to debt redemption. During the fiscal year 1925 debt amounting to $306,308,400 was retired through the cumulative sinking fund. Other fixed debt charges amounted to $160,229,714.

Interest payments during 1925 aggregated $881,806,662.36, as compared to $940,602,912.92 expense in 1924, and $820,000,000 estimated to be expended during 1926. For 1927 estimated expenditures are $795,000,000.

CALVIN COOLIDGE.

SPECIAL MESSAGE

[Encouragement of Aeronautics.]

THE WHITE HOUSE, *December 10, 1925.*

To the Congress of the United States:

In compliance with the provisions of the act of March 3, 1915, establishing the National Advisory Committee for Aeronautics, I submit herewith the eleventh annual report of the committee for the fiscal year ended June 30, 1925.

The statement of the present status of aviation, as outlined in Part V of the committee's report, should dispel the impression that America is lagging in the technical development of aircraft for military purposes. Scientific research on the fundamental problems of flight and the collection of results of research conducted in other progressive nations are official duties of the committee. Their opinion that America is at least abreast of other nations in the technical development of aircraft is commended to the Congress as the most authoritative that can be had. I agree with the committee that substantial progress in aeronautics

is dependent largely upon scientific research. I believe that the work of the committee is the most fundamental activity of the Government in connection with the development of aeronautics and that its continuance is essential if America is to maintain its present advanced position in aircraft development.

The condition of the aircraft industry and the prospects for the development of commercial aviation on a sound basis have materially improved during the past year. To encourage the development of commercial aviation I wish especially to indorse the recommendation of the committee for the creation of a bureau of air navigation in the Department of Commerce. CALVIN COOLIDGE.

CHRISTMAS MESSAGE TO BOYS

[To the Boy Scouts, the Lone Scouts and the 4-H Clubs.]

THE WHITE HOUSE, *December 21, 1925.*

As you are representative of the organizations of the boys and girls of America who live in or are interested in the open country, with which I come into an official relation, I want to extend to all of you a Christmas greeting. It seems a very short time ago that I was a boy and in the midst of farm life myself, helping to do the chores at the barn, working in the corn and potato fields, getting in the hay and in the springtime doing what most of you have never had an opportunity to see—making maple sugar.

I did not have any chance to profit by joining a Scout organization or a 4-H club. That chance ought to be a great help to the boys and girls of the present day. It brings them into association with each other in a way where they learn to think not only of themselves, but of other people. It teaches them to be unselfish. It trains them to obedience and gives them self-control.

A very wise man gave us this motto—"Do the duty that lies nearest you." It seems to me that this is the plan of all your organizations. We need never fear that we shall not be called on to do great things in the future if we do small things well at present. It is the boys and girls who work hard at home that are sure to make the best record when they go away from home. It is the boys and girls who stand well up toward the head of the class at school that will be called on to hold the important places in political and business life when they go out into the world.

There is a time for play as well as a time for work. But even in play it is possible to cultivate the art of well-doing. Games are useful to train the eye, the hand and the muscles, and bring the body more completely under the control of the mind. When this is done, instead of being a waste of time, play becomes a means of education.

It is in all these ways that boys and girls are learning to be men and women, to be respectful to their parents, to be patriotic to their country and to be reverent to God. It is because of the great chance that American boys and girls have in all these directions that to them, more than to the youth of any other country, there should be a merry Christmas.

CALVIN COOLIDGE.

SPECIAL MESSAGE

[Attendance on Preliminary Meeting to Discuss Disarmament Conference.]

THE WHITE HOUSE, *January 4, 1926.*

To the Congress of the United States:

In the message which I had occasion recently to submit to you I called attention to the agreements recently entered into by a number of European Governments under which guaranties of peace were provided, and I took occasion to point out that the natural corollary to these treaties should be further international agreements for the limitation of armaments, a work that was so successfully begun at the Washington Conference. The Government of the United States has now been invited by the Council of the League of Nations to send representatives to sit upon a "Preparatory Commission for the Disarmament Conference, being a commission to prepare for a conference on the reduction and limitation of armaments," which has been set up by the Council and which is to meet in Geneva, Switzerland, in February, 1926. The purpose of this commission, it is stated, is to make preparations for a conference for disarmament which it is the announced purpose of the Council to call at an early date.

It is proposed that the deliberations of the commission shall be directed to such matters as the several factors upon which the power of a country in time of war depends; whether limitation of the ultimate war strength of a country is practicable or whether disarmament should be confined to the peace strength alone; the relative advantages or disadvantages of each of the various forms which reduction or limitation of armament may take in the case of land, sea and air forces; the standard of measurement of the armament of one country against the armament of another; the possibility of ascertaining whether the armed force of a country is organized in a spirit of aggression or for purely defensive purposes; the consideration of the principles upon which a scale of armament for various countries can be drawn up and the factors which enter into the establishment of those principles, such as communication, resources, geographical situation, population, the vulnerability of frontiers, necessary delays in the transforming of peace armaments into war armaments; criteria, if any, by which it may be possible to distinguish between civil and military aircraft; the military

value of commercial fleets; the relations between regional security and disarmament and between regional disarmament and general disarmament.

The matters to be examined by the Preparatory Commission will, it is stated, touch upon all aspects of the question of disarmament and affect the interests of all the nations of the world. The Council believes that the time has come for studying the practical possibilities of the reduction and limitation of armaments, and expresses the hope that at this time, when all of the nations of the world are convinced of a common need, it will be able to count upon the cooperation of the Government of the United States in a work which so closely concerns the peace of the world.

This is neither the time nor the place to discuss the agenda of the Preparatory Commission or to assess the prospects of any conference or conferences on disarmament or limitation of armament which may later be convened. It is quite sufficient to note at this stage that the United States is merely invited to participate in a preliminary inquiry which may prepare the way for steps of a more definite and formal nature. Whether the conditions and circumstances will prove such as to make it desirable for the United States to attend any conference or conferences which may eventually take place as a result of the labors of the Preparatory Commission, or otherwise, is a question which need not now be considered. It is my judgment that so far as this preliminary inquiry is concerned, we ought to give our aid and cooperation to the fullest extent consistent with the policies which we have adopted.

The general policy of this Government in favor of disarmament and limitation of armament can not be emphasized too frequently or too strongly. In accordance with that policy any measure having a reasonable tendency to bring about these results should receive our sympathy and support. The conviction that competitive armaments constitute a powerful factor in the promotion of war is more widely and justifiably held than ever before, and the necessity for lifting the burden of taxation from the peoples of the world by limiting armaments is becoming daily more imperative. Participation in the work of the Preparatory Commission involves no commitment with respect to attendance upon any future conference or conferences on reduction and limitation of armaments; and the attitude of this Government in that regard can not be defined in advance of the calling of such meetings.

For this reason I deem it advisable to ask the Congress at this time only for such appropriation as may be required to defray the expenses of our participation in the work of the Preparatory Commission. I therefore recommend that there be appropriated the sum of $50,000 to cover the expenses of participation, in the discretion of the Executive, in the work of the Preparatory Commission.

CALVIN COOLIDGE.

EXECUTIVE ORDER

[Citizenship, Passports and Protection.]

THE WHITE HOUSE, *December 19, 1925.*

Article X of the Consular Regulations, 1896, entitled "Citizens, Passports and Protection," is hereby canceled and the following substituted:

ARTICLE X—CITIZENSHIP, PROTECTION, PASSPORTS, AND REGISTRATION.

CITIZENSHIP

137. *Native citizens.*—All persons born in the United States and subject to the jurisdiction thereof are citizens of the United States. The circumstance of birth within the United States makes one a citizen thereof, even if his parents were at the time aliens, provided they were not, by reason of diplomatic character or otherwise, exempted from the jurisdiction of its laws. All Indians born within the territorial limits of the United States are citizens.—*U. S. Const. Amend. XIV; R. S. Sec. 1992; Act of June 2, 1924, 43 Stat. 263—Part 1.*

All children born out of the limits and jurisdiction of the United States whose fathers were at the time of their birth citizens thereof are citizens of the United States; but the rights of citizenship do not descend to children whose fathers never resided in the United States.—*R. S. Sec. 1993.*

138. *Citizenship by naturalization.*—Naturalization is a judicial act, and a certificate of naturalization, in regular form, will, in the absence of evidence of fraud in its procurement, be treated by consular officers as conclusive evidence of citizenship, except as herein otherwise provided.

139. *Aliens who may not be naturalized.*—The existing laws providing for the naturalization of aliens as citizens of the United States apply "to aliens being free white persons, and to aliens of African nativity, and to persons of African descent."—*R. S. 2169 as amended by the Act of February 18, 1875, 18 Stat. 318.* The Supreme Court of the United States has decided that Japanese and Hindus are not free white persons and are not, therefore, capable of naturalization, *Takao Ozawa vs. United States, 260 U. S. 179; In re Bhagat Singh Thind, 261 U. S. 204.* The naturalization of Chinese is specifically prohibited by statute.—*Section 14, Act of May 6, 1882, 22 Stat. 58.* The naturalization of persons belonging to the above classes is unauthorized and void and consular officers will disregard their certificates of naturalization and will report to the Department concerning their cases. The cases of persons other than Japanese, Chinese and Hindus, whose eligibility

to naturalization appears to be doubtful under R. S. 2169 as amended by the Act of February 18, 1875, *18 Stat. 318,* should be referred to the Department for decision. In this relation it may be observed that the Supreme Court of the United States has held that persons other than those belonging to the classes specified in R. S. 2169, as amended by the Act of February 18, 1875, *18 Stat. 318,* such as Japanese, Hindus and Chinese, who served in the armed forces of the United States during the recent World War, are not eligible to citizenship under the seventh subdivision of section 4 of the Act of June 29, 1906, *34 Stat. 601,* as amended by the Act of May 9, 1918, *40 Stat. 542-547,* or the Act of July 19, 1919, *41 Stat. 222.—In re Hidemitsu Toyota vs. U. S., 45 Supreme Court Rep. 563.*

Persons who desert the military or naval service of the United States in time of war or who depart the jurisdiction of the United States to avoid any draft into military service are not admissible to citizenship.—*R. S. 1996–1998, as amended by the Act of August 22, 1912, 37 Stat. 256, Part 1.* A citizen of a country neutral in the recent World War, who, having declared his intention to become a citizen of the United States, withdrew such declaration in order to be relieved from service in the United States Army, is forever barred from becoming a citizen.—*Act of May 18, 1917, 40 Stat. 76; as amended by the Act of August 31, 1918, 40 Stat. 955.*

140. *Naturalization and citizenship of married women.*—It is provided by an Act of Congress of September 22, 1922, *42 Stat. 1021:*

1. That the right of any woman to become a naturalized citizen of the United States shall not be denied or abridged because of her sex or because she is a married woman.

2. That any woman who marries a citizen of the United States after the passage of the Act, or any woman whose husband is naturalized after the passage of the Act, shall not become a citizen of the United States by reason of such marriage or naturalization; but, if eligible to citizenship, she may be naturalized upon full and complete compliance with all requirements of the naturalization laws, with the following exceptions:

(a) No declaration of intention shall be required;

(b) In lieu of the five-year period of residence within the United States and the one-year period of residence within the State or Territory where the naturalization court is held, she shall have resided continuously in the United States, Hawaii, Alaska, or Porto Rico for at least one year immediately preceding the filing of the petition.

3. That a woman citizen of the United States shall not cease to be a citizen of the United States by reason of her marriage after the passage of the Act unless she makes a formal renunciation of her citizenship before a court having jurisdiction over naturalization of aliens:

Provided, That any woman citizen who marries an alien ineligible to citizenship shall cease to be a citizen of the United States. If at the termination of the marital status she is a citizen of the United States, she shall retain her citizenship regardless of her residence. If during the continuance of the marital status she resides continuously for two years in a foreign State of which her husband is a citizen or subject, or for five years continuously outside the United States, she shall thereafter be subject to the same presumption as is a naturalized citizen of the United States under the second paragraph of section 2 of the act entitled "An act in reference to the expatriation of citizens and their protection abroad," approved March 2, 1907, *34 Stat. 1228.* Nothing herein shall be construed to repeal or amend the provisions of Revised Statutes 1999 or of section 2 of the expatriation act of March 2, 1907, *34 Stat. 1228,* with reference to expatriation.

4. That a woman who, before the passage of the act, had lost her United States citizenship by reason of her marriage to an alien eligible for citizenship may be naturalized as provided in section 2 thereof:

Provided, That no certificate of arrival shall be required to be filed with her petition if during the continuance of the marital status she shall have resided within the United States. After her naturalization she shall have the same citizenship status as if her marriage had taken place after the passage of the act.

5. That no woman whose husband is not eligible to citizenship shall be naturalized during the continuance of the marital status.

6. That section 1994 of the Revised Statutes, which reads as follows:

> Any woman who is now or may hereafter be married to a citizen of the United States, and who might herself be lawfully naturalized, shall be deemed a citizen

and section 4 of the Expatriation Act of March 2, 1907, *34 Stat. 1229,* which reads as follows:

> That any foreign woman who acquires American citizenship by marriage to an American shall be assumed to retain the same after the termination of the marital relation if she continue to reside in the United States, unless she makes formal renunciation thereof before a court having jurisdiction to naturalize aliens, or if she resides abroad she may retain her citizenship by registering as such before a United States consul within one year after the termination of such marital relation

are repealed. Such repeal shall not terminate citizenship acquired or retained under either of such sections, nor restore citizenship lost under the latter.

7. That section 3 of the Expatriation Act of March 2, 1907, *34 Stat. 1228,* which reads as follows:

> That any American woman who marries a foreigner shall take the nationality of her husband. At the termination of the marital relation she may resume her American citizenship, if abroad, by registering as an American citizen within one

year with a consul of the United States, or by returning to reside in the United States, or, if residing in the United States at the termination of the marital relation, by continuing to reside therein

is repealed. Such repeal shall not restore citizenship lost nor terminate citizenship resumed under this section. A woman who has resumed under such section citizenship lost by marriage shall, upon the passage of this act, have for all purposes the same citizenship status as immediately preceding her marriage.

141. *Children of naturalized citizens.*—The naturalization or resumption of American citizenship by the parent confers such citizenship upon the minor children born without the United States, which citizenship shall begin at the time such minor children begin to reside permanently in the United States.—*Act of March 2, 1907, 34 Stat. 1229.*

142. *Declaration of intention.*—The declaration of intention to become a citizen of the United States does not make one a citizen, and the certificate of a court that such declaration has been made is not evidence of citizenship.

143. *Widow or minor child of declarant.*—When any alien who has declared his intention to become a citizen of the United States dies before he is actually naturalized, his widow and minor children may, by complying with the other provisions of the naturalization laws, be admitted to citizenship without making the declaration of intention.—*Act of June 29, 1906, 34 Stat. 598.*

144. *Expatriation.*—It is provided by statute, Act of March 2, 1907, *34 Stat. 1228,* that any American citizen shall be deemed to have expatriated himself when he has been naturalized in any foreign state in conformity with its laws, or when he has taken an oath of allegiance to any foreign state; but no American citizen shall be allowed to expatriate himself when the United States is at war. Also, under Section 3 of the Act of March 2, 1907, *34 Stat. 1228,* any American women who married a foreigner before September 22, 1922, acquired thereby the nationality of her husband; but at the termination of the marital relation she might before September 22, 1922, have resumed her American citizenship, if abroad, by registering as an American citizen within one year with a consul of the United States, or by returning to reside in the United States, or, if residing in the United States at the termination of the marital relation, by continuing to reside therein. —*Act of March 2, 1907, 34 Stat. 1228; Act of September 22, 1922, 42 Stat. 1021.*

144 A. *Loss of citizenship through desertion or evasion of military service.*—Every citizen of the United States who is convicted by court martial or other court of competent jurisdiction of deserting the military or naval service of the United States, in time of war, or, being duly enrolled departs the jurisdiction of the district in which he is enrolled,

or goes beyond the limits of the United States, with intent to avoid any draft into the military or naval service, shall be deemed to have voluntarily relinquished and forfeited his citizenship. All persons convicted of deserting the military or naval service of the United States between November 11, 1918 and July 2, 1921, were pardoned by proclamation of the President issued March 5, 1924, and were thereby restored to the citizenship status they enjoyed before their conviction.—*R. S. 1996-1998, as amended by Act of August 22, 1912; 71 U. S. 333, 380; Proclamation of the President March 5, 1924.*

144 B. *Presumption of expatriation from residence abroad of naturalized citizens.*—When any naturalized citizen shall have resided for two years in the foreign State from which he came, or for five years in any other foreign State, it shall be presumed that he has ceased to be an American citizen, and the place of his general abode shall be deemed his place of residence during said years:

Provided, However, that such presumption may be overcome on the presentation of satisfactory evidence to a diplomatic or consular officer of the United States, under such rules and regulations as the Department of State may prescribe.

145. *Reports of fraudulent naturalization.* When any alien who has secured naturalization in the United States shall proceed abroad and take up his permanent residence in any foreign country within five years after the date of his naturalization, it shall be deemed prima facie evidence that he did not intend in good faith to become a citizen of the United States when he applied for naturalization, and in the absence of countervailing evidence it shall be sufficient in the proper proceedings to authorize the cancellation of his certificate of citizenship as fraudulent. Diplomatic and consular officers shall furnish the Department of Justice, through the Department of State, the names of those within their jurisdictions, respectively, who have such certificates and have taken up permanent residence abroad within five years after their naturalization, and such statements from diplomatic and consular officers shall be certified to by such officers under their official seal, and are under the law admissible in evidence in all courts to cancel certificates of naturalization.—*Act of June 29, 1906, 34 Stat. 601.*

PROTECTION

146. *Protection abroad of naturalized citizens.*—All naturalized citizens of the United States while in foreign countries are entitled to and shall receive the same protection of person and property which is accorded to native-born citizens.—*R. S. Sec. 2000.*

146 A. *Protection of children born abroad of American fathers.* All children born outside the limits of the United States who are citizens thereof in accordance with the provisions of section 1993 of the Revised

Statutes of the United States, and who continue to reside outside of the United States, shall, in order to receive the protection of this Government, be required upon reaching the age of 18 years to record at an American consulate their intention to become residents and remain citizens of the United States, and shall be further required to take the oath of allegiance to the United States upon attaining their majority.—*Act of March 2, 1907, 34 Stat. 1228.*

146 B. *Consuls to file evidence.* Diplomatic and consular officers are required to file with the Department of State duplicates of any evidence, registration, or other acts, taken before them in conservation or resumption of citizenship and the right to protection.—*Act of March 2, 1907, 34 Stat. 1228.*

147. *Circumstances under which protection is withheld.*—Ordinarily, citizens of the United States, whether native or naturalized, subject to the provisions of the foregoing paragraphs, are entitled to the protection and intervention of diplomatic and consular officers in proper cases. The right of a citizen, however, to claim protection is founded upon the correlative right of this Government to claim his allegiance and support. Where a citizen, therefore, has resided abroad for a long period of time under such circumstances as to warrant the inference that he has practically abandoned his country, consuls may withhold their intervention pending the instructions of the diplomatic mission or of the Department of State. Anyone who has expatriated himself or who, under the provisions of a treaty of naturalization or statute, *Act of March 2, 1907, 34 Stat. 1228,* is presumed to have renounced his naturalization or to have ceased to be an American citizen, is not entitled to intervention on the part of any diplomatic or consular officer of the United States.

148. *Intervention.*—When a consul is satisfied that an applicant for protection as an American citizen has a right to intervention, he should interest himself in the applicant's behalf, examining carefully into his grievances. If the consul finds that the complaints are well founded, he should interpose firmly, but with courtesy and moderation, with the local authorities in the applicant's behalf, and report the case to the diplomatic mission for its further action, if any be required.

149. *Duties toward American citizens.*—The powers and duties of consular officers in regard to their fellow citizens depend in a great measure upon the municipal law of the United States. No civil or criminal jurisdiction can be exercised by them over their countrymen without express authority of law or by treaty stipulation with the State in which they reside. They are particularly cautioned not to enter into any contentions that can be avoided, either with their countrymen or with the subjects or authorities of the country. They should use every endeavor to settle in an amicable manner all disputes in which their

countrymen may be concerned, but they should take no part in litigation between citizens. They should countenance and protect them before the authorities of the country in all cases in which they may be injured or oppressed, but their efforts should not be extended to those who have been willfully guilty of an infraction of the local laws, it being incumbent upon citizens of the United States to observe the reasonable laws of the country where they may be. It is their duty to endeavor on all occasions to maintain and promote all the rightful interests of citizens, and to protect them in all privileges that are provided for by treaty or are conceded by usage. If representations are made to the local authorities and fail to secure the proper redress, the case should be reported to the consul general, if there be one, or to the diplomatic representative, if there be no consul general, and to the Department of State.

PASSPORTS

150. *Who may issue.*—Passports may be issued in the United States only by the Secretary of State, and he may cause them to be issued, granted, and verified in foreign countries by diplomatic and consular officers of the United States and in the insular possessions of the United States by the chief or other executive officer thereof. Passports are issued under such rules as the President shall designate and prescribe.—*R. S. Sec. 4075 as amended by Act of June 14, 1902, 32 Stat.*

If any person acting or claiming to act in any office or capacity under the United States, its possessions, or any of the States of the United States, who shall not be lawfully authorized so to do, shall grant, issue, or verify any passport or other instrument in the nature of a passport to or for any person whomsoever, or if any consular officer who shall be authorized to grant, issue, or verify passports shall knowingly and willfully grant, issue, or verify any such passport to or for any person not owing allegiance, whether a citizen or not, to the United States, he shall be imprisoned for not more than one year or fined not more than five hundred dollars, or both; and may be charged, proceeded against, tried, convicted, and dealt with therefor in the district where he may be arrested or in custody.—*R. S. Sec. 4078 as amended by Act of June 14, 1902, 32 Stat. 386.*

151. *By diplomatic officers.*—Where a legation of the United States is established in any country, no person other than the diplomatic representative of the United States at such place shall be permitted to grant or issue any passport except in the absence therefrom of such representative.—*R. S. Sec. 4075 as amended by Act of June 14, 1902, 32 Stat. 386.*

152. *By consulates.*—No consular office will issue passports, except those specifically authorized to do so by the Department of State. Consular agencies are never so authorized.

153. *To whom issued.*—No passport shall be granted or issued to, or verified for, any persons other than those owing allegiance, whether citizens or not, to the United States.—*R. S. Sec. 4076 as amended by Act of June 14, 1902, 32 Stat. 386.*

154. *When passports may be issued by diplomatic or consular officers.*—Passports should not be issued by diplomatic or consular officers if the applicant has time to apply to the Department of State and await its reply. Where inconvenience or hardship would result to a person entitled to receive a passport unless he received it at once, a diplomatic officer, or a consular officer who shall have received authority to do so from the Secretary of State, may issue to such person an emergency passport.

155. *Applications.*—All persons who assert a right to receive passports and who desire to secure them while abroad may make application therefor to the Department of State through a consular officer or, in the absence of such, through a diplomatic officer. Each application should contain all the information required by law or regulation and each applicant must take the oath of allegiance. Whenever an application for a passport is made to the Department of State through a diplomatic or consular officer he shall transmit the original of the application and, where required, the proof of the right to receive a passport to the Department.

156. *Identity.*—The identity of an applicant for a passport should always be established when the application is taken. In the absence of an American citizen as identifying witness a reputable alien may be accepted. Where personal identification can not be reasonably required conclusive documentary evidence may be accepted. A passport issued by the Secretary of State on or after January 3, 1918, to which is attached the photograph and signature of the person to whom the passport was originally issued, will be accepted as prima facie evidence of identity. The passport must be surrendered for cancellation.

157. *Applications of native citizens.*—Native citizens who apply for passports must submit with their applications birth or baptismal certificates or affidavits of persons who have sufficient knowledge to be able to testify as to the place and date of their births.

158. *Applications of naturalized citizens, and persons claiming citizenship through naturalization of husband or parent.*—Naturalized citizens or persons claiming citizenship through the naturalization of a husband or parent must exhibit their certificates of naturalization or those of their husbands or parents through whom citizenship is claimed, or, if the certificates were issued prior to September 27, 1907, duly certified copies of the court records thereof. Further evidence of the applicant's citizenship may be required, if deemed necessary. If any such person is unable to submit such documentary evidence of his nat-

uralization, the Department should be informed of the name of the court in which he alleges that he obtained naturalization and the date thereof, so that the Department may take steps to verify his allegation. In taking the applications of naturalized citizens, or of those claiming citizenship through relationship to a naturalized citizen, consular officers will be careful to investigate each case in order to ascertain whether or not the statutory presumption of expatriation may not have arisen against the applicant through the length of his residence abroad.

159. *Applications of persons who owe allegiance to the United States other than citizens thereof.*—A loyal citizen or inhabitant of an insular possession of the United States or of the Canal Zone, in addition to the information required in the case of a citizen of the United States, must state that he owes allegiance to the United States and does not acknowledge allegiance to any other Government. He must also submit an affidavit from at least two credible witnesses in substantiation of his statement of birth, residence and loyalty.

160. *Expiration of passports.*—The validity of a passport is limited by statute to two years, unless the Secretary of State shall by regulation limit it to a shorter period.—*Act of June 4, 1920, 41 Stat. 751.*

161. *Loss or destruction of passport or certificate of naturalization.* —Consular officers will take every opportunity to impress upon American citizens that the loss or destruction of a passport or certificate of naturalization is a serious matter which must be immediately reported to the nearest American consular officer and a thorough explanation given.

162. *Old passports in lieu of documentary evidence of citizenship.*— An American citizen who is abroad and who holds a passport which has expired, or is about to expire, may apply through a diplomatic or consular officer for a new passport.

In the case of a naturalized citizen, the old passport will be accepted as prima facie evidence that the citizenship of the applicant was properly proved when the old passport was granted, and the applicant need not be required to produce again the certificate of naturalization through which he acquired his citizenship. However, if there is any doubt surrounding the case, the applicant should be required to produce the same evidence that would be required of him if he were making his first application for a passport.

In the case of a native citizen, a passport issued on or after January 3, 1918, will be accepted as prima facie evidence of American birth and the usual documentary evidence need not be required.

In all cases where a search of previous records fails to show the presentation by an applicant of the appropriate documentary evidence, the Secretary of State may require such evidence.

163. *Oath.*—Consular officers are authorized to administer the required oath in an application for a passport. They must sign the jurat in their official capacity and affix the seal of the consulate thereto.

164. *Form and number.*—Passports issued by a mission or consulate should be according to Form No. 9, and should be numbered, commencing with 1 and continuing consecutively until a new principal officer takes charge, when a new series will be commenced. Professional titles will not be inserted in passports, but an applicant's name in religion, an author's nom de plume, a stage name, etc., may be included in parentheses after the bearer's name.

165. *Wife and minor children.*—When the applicant for a passport is accompanied by his wife and minor children one passport will suffice for all if the facts concerning such persons are clearly stated in the application, and their names and relationship to the applicant are given in the passport.

A woman's passport may include her minor children under the above-named conditions.

A minor brother or sister may be included in an older brother's or sister's passport, if it is shown that the person to whom the passport is to be issued will be the natural guardian during the trip covered by the passport and that neither parent will accompany the children.

A minor grandchild, niece, or nephew may be included in a relative's passport when the application is accompanied by a request therefor by the parent or guardian.

A person who does not owe allegiance to the United States may not be included in a passport issued to a person owing allegiance thereto, nor shall a person against whom the presumption of cessation of citizenship has arisen or will shortly arise, be included therein, except upon the express authorization of the Department of State.

166. *Signature by holder and surrender of other documents.*—Whenever a passport is delivered, the consul will see that the same is signed by the person to whom it is issued before it is delivered. In sending a passport by mail the person to whom it is issued should be instructed to sign it upon receipt; the necessity for this should be emphasized. It is not proper for a person to be in possession of two valid documents of identity and nationality at the same time; therefore, before a passport is delivered the person to whom it is issued should surrender for cancellation previous passports, certificates of registration, citizen seamen's identity cards, certificates of identification for seamen, etc. Cancelled passports may be retained as souvenirs by the persons to whom issued. If a passport is to be delivered by mail, the surrender of such documents as are known to be in the possession of the person to whom the passport is to be delivered should be required before delivery of the passport.

FEES

167. *Fees.*—A fee of $1 must be collected for executing every application for a passport, and a fee of $9 must be collected for every passport issued, with the following exceptions:

No fee shall be collected for passports issued to officers or employees of the United States proceeding abroad in the discharge of their official duties or to members of their immediate families, or to seamen, or to widows, children, parents, brothers, and sisters of American soldiers, sailors or marines buried abroad, whose journey is undertaken for the purpose and with the intent of visiting the graves of such soldiers, sailors, or marines, which facts shall be made a part of the application for the passport.—*Act of June 4, 1920, 41 Stat. 750.*

VERIFICATION, EXTENSION, AND AMENDMENT

168. *Verification, extension, and amendment.*—The Secretary of State is authorized to prescribe regulations governing the verification, extension, and amendment, of American passports by diplomatic and consular officers of the United States.—*R. S. 4075 as amended by the Act of June 14, 1902, 32 Stat. 386.*

169. *Verification good only in country where officer is located.*—The verification of a passport by a consular officer is designed to give it authenticity and ready acceptance in the country only in which he is located. The holder of a passport wishing to establish its genuineness and validity in any other locality should apply to a consul of the United States having recognized official character in that locality.

DEPOSIT OF PASSPORTS

170. *Certificates of deposit of passports.*—Certificates in the nature of passports and to be used as such are forbidden.

In countries where the local laws or regulations require the deposit of a passport during the temporary sojourn of a traveler, a consular certificate setting forth the facts as appearing from the passport may be granted; but only to comply with the requirements of the local law or regulation. Such certificate should be according to the form prescribed by the law of the country, and the consul will transmit a copy of it to the Department of State.

PASSPORTS AND TRAVEL CERTIFICATES IN CHINA

171. *Passport applications in China.*—In China applications for passports should be in the form prescribed in this article, but an applicant

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PRESIDENT HARDING ON HIS TRIP THROUGH THE WEST, 1923.

THE LAST TRIP OF PRESIDENT HARDING.

In the latter part of June, 1923, President Harding left Washington for a speaking tour through the West and a visit to Alaska. In the West, he delivered a number of addresses to large audiences on pressing problems of the hour, especially the proposed adherence of the United States to the International Court of Justice. In Alaska, President Harding's party surveyed the development and resources of this northernmost territory of the United States.

One panel on the preceding page constitutes the last snapshot taken of President Harding. With Mrs. Harding, Brigadier General Sawyer and Secretary to the President Christian, he is shown leaving his train at San Francisco, on his way to the Palace Hotel, where he died so suddenly. Another panel shows President Harding in Yellowstone Park, admiring in silence the panorama of the Grand Canyon of the Yellowstone, from Artist's Point. The third panel shows the president at Immigration Springs, where he unveiled a monument to the Old Oregon Trail. His address on the Old Oregon Trail will be found toward the end of his messages and papers.

should give his full Christian name and surname in both the English and the Chinese languages. Where the application cannot be sworn to before a consul, and no notary or other officer authorized to administer oaths is accessible to the applicant, he may transmit the application accompanied by a certificate signed by himself and two witnesses.

172. *Chinese travel certificates.* In China consuls may issue travel certificates to persons who possess passports as citizens of the United States or whose registration has been approved by the Department or who have been given emergency registrations, and are about to make a journey into the interior of China, when such certificates are required by the local authorities, such certificates to be good for one year from their date. If a passport or registration in such case is revoked, it becomes the duty of the consul who issued the certificate to notify the person to whom it was issued and the proper Chinese authorities that the travel certificate is no longer valid.

REGISTRATION

173. *Registration of American citizens.*—The general principles which govern applications for passports also govern applications for registration.

Principal consular officers shall keep at their offices a register of all American citizens residing in their several districts, and will therefore make it known that such a register is kept and invite all resident Americans to cause their names to be entered therein. Except in cases of emergency no person shall be given a certificate of registration until his application for registration has been approved by the Department. The forms of application for registration will be prescribed by the Secretary of State.

Consuls may issue, upon forms prescribed by the Department, certificates of registration for use with the authorities of the place where the persons registered are residing. When a certificate expires a new one may be issued, the old one being surrendered and destroyed. Persons who hold passports which have not expired shall not be furnished with certificates of registration, and it is strictly forbidden to furnish them to be used for traveling in the place of passports, except in cases of extraordinary emergency when the Department of State shall expressly authorize their use for this purpose.

Returns of all registrations and of all certificates of registration issued shall be made at intervals and under regulations to be prescribed by the Secretary of State.

The Secretary of State is authorized to make regulations concerning registration additional to these rules and not inconsistent with them.

No fee shall be required for registration nor for any service con-

nected therewith, except for the issuance of a certificate of registration, for which a fee of $1 shall be required.

174. *Protection of foreign subjects in certain cases.*—Requests have occasionally been made upon the Government of the United States to permit its diplomatic and consular officers to extend their protection to citizens or subjects of a foreign government who may desire it and who may be sojourning at places where there are no diplomatic or consular representatives of that government. This Government has from time to time, upon the request of friendly powers, given to its diplomatic and consular officers authority to take upon themselves, with the consent of the government within whose jurisdiction they reside, the function of representing those powers at places where the latter had no such officers. It has understood this authority to be restricted simply to the granting of the services and good offices of our representatives, with their own consent, to meet what has ordinarily been a fortuitous and temporary exigency of the friendly government. When this function is accepted—which must be done only with the approval of the Department of State—the diplomatic or consular officer becomes the agent of the foreign government as to the duties he may perform for its citizens or subjects. He becomes responsible to it for his discharge of those duties, and that government alone is responsible for his acts in relation thereto. He does not, however, for this purpose, become a diplomatic or consular officer of the foreign government.

CALVIN COOLIDGE.

MESSAGE TO CONGRESS

[Persian Indemnity Fund.]

THE WHITE HOUSE, *January 6, 1926.*

To the Congress of the United States:

I transmit herewith a communication from the Secretary of State with regard to the utilization for the education of Persian students in the United States of a sum not to exceed $110,000, received from the Persian Government in reimbursement of the expenses incurred in connection with the return on the U. S. S. *Trenton* of the remains of the late Vice Consul Robert W. Imbrie who was killed in Teheran on July 18, 1924.

In view of the prompt manner in which the Persian Government met the demands for reparation which were made by this Government as a result of the killing of Vice Consul Imbrie, in rendering all appropriate honors to the body of the vice consul while on Persian and Mesopotamian soil, in paying to the widow the sum of $60,000, in carrying out the execution of the death penalty in the case of three persons and of

30 other lesser sentences in the cases of persons found guilty in varying degree of participation in or responsibility for the assault, it is my earnest hope that Congress will see fit to authorize the setting aside of the funds, not to exceed $110,000, which, as indicated above, have been received from the Persian Government, to be spent for the educational purposes afore-mentioned under such conditions as the Secretary of State may prescribe.

Such action by Congress will tend to foster friendly relations between the United States and Persia and will be in line with the precedent already sanctioned by the Congress in the case of the Boxer indemnity fund.

CALVIN COOLIDGE.

LETTER

[Relations with the Philippine Islands.]

[Published in Congressional Record of March 5, 1926.]

THE WHITE HOUSE, *February 21, 1924.*

My Dear Mr. Roxas: The resolutions adopted by the Senate and House of Representatives of the Philippines, touching upon the relations between the Filipino people and the Government of the United States have been received. I have noted carefully all that you have said regarding the history of these relations. I have sought to inform myself so thoroughly as might be as to the occasions of current irritation between the Legislature of the Philippines and the executive authority of the islands.

In your presentment you have set forth more or less definitely a series of grievances, the gravamen of which is that the present executive authority of the islands, designated by the United States Government, is, in your opinion, out of sympathy with the reasonable national aspirations of the Filipino people. If I do not misinterpret your protest, you are disposed to doubt whether your people may reasonably expect, if the present executive policy shall continue, that the Government of the United States will in reasonable time justify the hopes which your people entertain of ultimate independence.

The declaration of the commission of independence charges the Governor General with illegal, arbitrary, and undemocratic policies, in consequence of which the leaders of Filipino participation in the government have resigned and their resignations have been accepted by the Governor General.

The commission of independence declares that it is necessary "to take all needful steps and to make use of all lawful means within our power to obtain the complete vindication of the liberties of the country

now violated and invaded." It proceeds: "And we declare, finally, that this event, grave and serious as it is, once more demonstrates that the immediate and absolute independence of the Philippines, which the whole country demands, is the only complete and satisfactory settlement of the Philippine problem."

It is occasion for satisfaction to all concerned that this declaration is couched in terms of moderation, and that it goes no further than to invoke "all lawful means within our power." So long as such discussions as this shall be confined to the consideration of lawful means there will be reason to anticipate mutually beneficent conclusions. It is therefore a matter of congratulation, which I herewith extend, that you have chosen to carry on this discussion within the bounds of lawful claims and means. That you have thus declared the purpose to restrict your modes of appeal and methods of enforcing it is gratifying evidence of the progress which the Filipino people, under American auspices, have made toward a demonstrated capacity for self-government.

The extent to which the grievances which you suggest are shared by the Filipino people has been a subject of some disagreement. The American Government has information which justifies it in the confidence that a very large proportion, at any rate, and possibly a majority, of the substantial citizenry of the islands does not support the claim that there are grounds for serious grievance. A considerable section of the Filipino people is, further, of the opinion that at this time any change which would weaken the tie between the Filipinos and the American nation would be a misfortune to the islands. The world is in a state of high tension and unsettlement. The possibility of either economic or political disorders, calculated to bring misfortune if not disaster to the Filipino people unless they are strongly supported, is not to be ignored. It should not be overlooked that within the past two years, as a result of international arrangements negotiated by the Washington Conference on Limitation of Armament and problems of the Far East, the position of the Filipino people has been greatly improved and assured. For the stabilizing advantages which accrue to them in virtue of the assurance of peace in the Pacific they are directly indebted to the initiative and efforts of the American Government. They can ill afford in a time of so much uncertainty in the world to underrate the value of these contributions to their security. By reason of their assurance against attack by any power, by reason also of that financial and economic strength which inevitably accrues to them, by reason of the expanded and still expanding opportunities for industrial and economic development—because of all these considerations the Filipino people would do well to consider most carefully the value of their intimate association with the American nation. Although they have made wonderful advances in the last quarter century, the Filipino

people are by no means equipped, either in wealth or experience, to undertake the heavy burden which would be imposed upon them with political independence. Their position in the world is such that without American protection there would be the unrestricted temptation to maintain an extensive and costly diplomatic service, and an ineffective but costly military and naval service. It is to be doubted whether with the utmost exertion, the most complete solidarity among themselves, the most unqualified and devoted patriotism, it would be possible for the people of the islands to maintain an independent place in the world for an indefinite future.

In presenting these considerations it is perhaps worth while to draw your attention to the conditions in which some other peoples find themselves by reason of lacking such guaranties and assurances as the Filipino people enjoy. The burdens of armament and of governmental expenses which many small nations are compelled to bear in these times are so great that we see everywhere the evidence of national prosperity and community progress hindered, if not destroyed, because of them. During the World War the Filipino people were comparatively undisturbed in their ordinary pursuits, left free to continue their fine progress. But it may well be doubted whether, if they had been shorn of the protection afforded by the United States, they could have enjoyed so fortunate an experience. Much more probably they would have become involved in the great conflict and their independence and nationality would have become, as did those of many other peoples, pawns in the great world reorganization. There could be no more unfortunate posture in which to place a people such as your own. You have set your feet firmly in the path of advancement and improvement. But you need, above all else, assured opportunity of continuing in that course without interference from the outside or turmoil within. Working out the highest destiny of even the most talented and advanced of peoples is a matter of many generations.

A fair appraisal of all these considerations, and of others which suggest themselves without requiring enumeration, will, I am sure, justify the frank statement that the Government of the United States would not feel that it had performed its full duty by the Filipino people, or discharged all of its obligations to civilization if it should yield at this time to your aspiration for national independence. The present relationship between the American nation and the Filipino people arose out of a strange, an almost unparalleled, turn of international affairs. A great responsibility came unsought to the American people. It was not imposed upon them because they had yielded to any design of imperialism, or of colonial expansion. The fortunes of war brought American power to your islands, playing the part of an unexpected and a welcome deliverer. You may be very sure that the American people

have never entertained purpose of exploiting the Filipino people or their country. There have indeed been different opinions among our own people as to the precisely proper relationship with the Filipinos. There are some among us, as there are some among your people, who believe that immediate independence of the Philippines would be best for both. I should be less than candid with you, however, if I did not say that in my judgment the strongest argument that has been used in the United States in support of immediate independence of the Philippines is not the argument that it would benefit the Filipinos, but that it would advantage the United States. Feeling as I do, and as I am convinced, the great majority of Americans do regarding our obligations to the Filipino people, I have to say that I regard such arguments as unworthy. The American people will not evade or repudiate the responsibility they have assumed in this matter. The American Government is convinced that it has the overwhelming support of the American nation in its conviction that present independence would be a misfortune and might easily become a disaster to the Filipino people. Upon that conviction the policy of this Government is based.

Thus far I have suggested only some of the reasons related to international concerns, which seem to me to urge strongly against independence at this time. I wish now to review for a moment some domestic concerns of the Philippine Islands, which seem also to argue against present independence. The American Government has been most liberal in opening to the Filipino people the opportunities of the largest practicable participation in, and control of, their own administration. It has been a matter of pride and satisfaction to us, as I am sure it must also have been to your people, that this attitude has met with so fine a response. In education, in cultural advancement, in political conceptions and institutional development, the Filipino people have demonstrated a capacity which can not but justify high hopes for their future. But it would be idle and insincere to suggest that they have yet proved their possession of the completely developed political capacity which is necessary to a minor nation assuming the full responsibility of maintaining itself in the family of nations. I am frankly convinced that the very mission upon which you have addressed me is itself an evidence that something is yet lacking in development of political consciousness and capability.

One who examines the grounds on which are based the protests against the present situation is forced to conclude that there has not been, thus far, a full realization of the fundamental ideals of democratic-republican government. There have been evidences of a certain inability, or unwillingness, to recognize that this type of governmental organization rests upon the theory of complete separation of the legislative, executive, and judicial functions. There have been many evidences of

disposition to extend the functions of the legislature, and thereby to curtail the proper authority of the executive. It has been charged that the present Governor General has in some matters exceeded his proper authority; but an examination of the facts seem rather to support the charge that the legislative branch of the insular government has been the real offender, through seeking to extend its own authority into some areas of what should properly be the executive realm.

The Government of the United States has full confidence in the ability, good intentions, fairness, and sincerity of the present Governor General. It is convinced that he has intended to act, and has acted, within the scope of his proper and constitutional authority. Thus convinced, it is determined to sustain him; and its purpose will be to encourage the broadest and most intelligent cooperation of the Filipino people in this policy. Looking at the whole situation fairly and impartially, one can not but feel that if the Filipino people can not cooperate in the support and encouragement of as good an administration as has been afforded under Governor General Wood, their failure will be rather a testimony of unpreparedness for the full obligations of citizenship, than an evidence of patriotic eagerness to advance their country. I am convinced that Governor General Wood has at no time been other than a hard-working, painstaking, and conscientious administrator. I have found no evidence that he had exceeded his proper authority, or that he has acted with any other than the purpose of best serving the real interest of the Filipino people. Thus believing, I feel that I am serving those same interests by saying frankly that it is not possible to consider the extension of a larger measure of autonomy to the Filipino people until they shall have demonstrated a readiness and capacity to cooperate fully and effectively with the American Government and authorities. For such cooperation, I earnestly appeal to every friend of the islands and their people. I feel all confidence that in the measure in which it shall be extended, the American Government will be disposed to grant in increasing degree the aspirations of your people. Nothing could more regrettably affect the relations of the two peoples than that the Filipinos should commit themselves to a program calculated to inspire the fear that possibly the governmental concessions already made have been in any measure premature.

In conclusion, let me say that I have given careful and somewhat extended consideration to the representations you have laid before me. I have sought counsel of a large number of men whom I believed able to give the best advice. Particularly, I have had in mind always that the American nation could not entertain the purpose of holding any other people in a position of vassalage. In accepting the obligations which came to them with the sovereignty of the Philippine Islands, the American people had only the wish to serve, advance, and improve the

condition of the Filipino people. That thought has been uppermost in every American determination concerning the islands. You may be sure that it will continue the dominating factor in the American consideration of the many problems which must inevitably grow out of such relationship as exists.

In any survey of the history of the islands in the last quarter century, I think the conclusion inescapable that the Filipino people, not the people of the United States, have been the gainers. It is not possible to believe that the American people would wish otherwise, to continue their responsibility in regard to the sovereignty and administration of the islands. It is not conceivable that they would desire, merely because they possessed the power, to continue exercising any measure of authority over a people who would better govern themselves on a basis of complete independence. If the time comes when it is apparent that independence would be better for the people of the Philippines, from the point of view of both their domestic concerns and their status in the world; and if when that time comes the Filipino people desire complete independence, it is not possible to doubt that the American Government and people will gladly accord it.

Frankly, it is not felt that that time has come. It is felt that in the present state of world relationship the American Government owes an obligation to continue extending a protecting arm to the people of these islands. It is felt, also, that quite aside from this consideration, there remain to be achieved by the Filipino people many greater advances on the road of education, culture, economic, and political capacity, before they should undertake the full responsibility for their administration. The American Government will assuredly cooperate in every way to encourage and inspire the full measure of progress which still seems a necessary preliminary to independence.

Yours very truly,

CALVIN COOLIDGE.

Hon. Manuel Roxas,
Chairman The Philippine Mission.

By the President of the United States of America

A PROCLAMATION

[American Forest Week, April 18-24, 1926]

In again proclaiming American Forest Week it is fitting that, while giving full weight to the evils resulting from impoverished forests and idle land, I should lay stress upon the outward spread of forestry in

industrial practice and land usage. Too long have we as a nation consumed our forest wealth without adequate provision for its wise utilization and renewal. But a gratifying change is taking place in the attitude of our industries, our landowners, and the American people toward our forests.

The wise use of land is one of the main foundations of sound national economy. It is the corner stone of national thrift. The waste or misuse of natural resources cuts away the groundwork on which national prosperity is built. If we are to flourish, as a people and as individuals, we must neither wastefully hoard nor wastefully exploit, but skillfully employ and renew the resources that nature has entrusted to us. America's forest problem essentially is a problem involving the wise use of land that can and should produce crops of timber.

Flourishing woodlands, however, mean more than timber crops, permanent industries, and an adequate supply of wood. They minister to our need for outdoor recreation; they preserve animal and bird life; they protect and beautify our hillsides and feed our streams; they preserve the inspiring natural environment which has contributed so much to American character.

Although our national progress in forestry has been well begun, much remains to be done through both concerted and individual effort. We must stamp out the forest fires which still annually sweep many wooded areas, destroying timber the nation can ill afford to lose and killing young growth needed to constitute the forests of the future. Forest fires, caused largely by human indifference or carelessness, are the the greatest single obstacle to reforestation and effective forest management.

We must encourage and extend methods of timber cutting which perpetuate the forest while harvesting its products. We must plant trees in abundance on idle land where they can profitably be grown. We must examine taxation practices that may form economic barriers to timber culture. We must encourage the extension of forest ownership on the part of municipalities, counties, states, and the federal Government. And we must take common counsel in public meetings to the end that the forestry problems of each region may be well considered and adequately met.

Now, therefore, I, Calvin Coolidge, President of the United States of America, do hereby designate the week of April 18-24, inclusive, 1926, as American Forest Week; and I recommend to the Governors of the various states that they also designate the week of April 18-24 as American Forest Week and observe Arbor Day within that week wherever practicable and not in conflict with law or accepted custom.

And I urge public officials, public and business organizations, industrial leaders, landowners, editors, educators, clergymen, and all patriotic citizens to unite in the common task of forest conservation and renewal.

The action of the Canadian Government in likewise proclaiming the week of April 18-24, inclusive, as a period when the utmost stress shall be laid upon the problems of forest conservation and renewal, thus unifying the respective efforts of Canada and the United States, is an added reason why our citizens should give careful thought to a matter so important to both countries.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this third day of March, in the year of our Lord one thousand nine hundred and [SEAL.] twenty-six, and of the Independence of the United States of America the one hundred and fiftieth.

CALVIN COOLIDGE.

By the President:

FRANK B. KELLOGG, *Secretary of State.*

STATE DEPARTMENT MESSAGE

[Reservations of United States on Joining Permanent Court of International Justice.]

April 19, 1926.

Sir:*

I have the honor to acknowledge your communication of March 29, 1926, in which you enclose an extract from the minutes of the meeting of the Council of the League proposing that invitations be issued to the governments of the States actual signatories of the Protocol of the Permanent Court of International Justice and to the Government of the United States to appoint delegates to meet in Geneva on September first of the current year for the purpose of discussing any questions which it may be proper for them to discuss in this connection and for the purpose of framing any new agreement which may be found necessary to give effect to the special conditions on which the United States is prepared to adhere to the Protocol. I further note your statement that invitations have been issued to the various States signatory to the Protocol and you now extend an invitation to the United States for such purpose. I am also advised that in the invitation sent to the States other than the United States the League has asked them to indicate to the United States Government the difficulty of treating the American reservations to adhesion to the Protocol of the Permanent Court by direct exchange of notes and to point out the need for a general agreement.

While acknowledging the courtesy of the invitation of the League of Nations to attend such a meeting, I do not feel that any useful purpose could be served by the designation of a delegate by my Government to attend a Conference for this

*Addressed to Secretary General of the League of Nations.

purpose. The Senate gave its consent to the adherence of the United States to the Statute of the Permanent Court with certain specific conditions and reservations set forth in the Resolution, which I forwarded to you as the depository of the Protocol. These reservations are plain and unequivocal and, according to their terms, they must be accepted by the exchange of notes between the United States and each one of the forty-eight states signatory to the Statute of the Permanent Court before the United States can become a party and sign the Protocol. The Resolution specifically provided this mode of procedure.

I have no authority to vary this mode of procedure or to modify the conditions and reservations or to interpret them and I see no difficulty in the way of securing the assent of each signatory by direct exchange of notes as provided for by the Senate. It would seem to me to be a matter of regret if the Council of the League should do anything to create the impression that there are substantial difficulties in the way of such direct communication. This Government does not consider that any new agreement is necessary to give effect to the conditions and reservations on which the United States is prepared to adhere to the Permanent Court. The acceptance of the reservations by all the nations signatory to the Statute of the Permanent Court constitute such an agreement. If any machinery is necessary to give the United States an opportunity to participate through representatives for the election of judges, this should naturally be considered after the reservations have been adopted and the United States has become a party to the Statute of the Permanent Court of International Justice. If the States signatory to the Statute of the Permanent Court desire to confer among themselves, the United States would have no objection whatever to such a procedure, but, under the circumstances it does not seem appropriate that the United States should send a delegate to such a Conference.

Accept, Sir, the renewed assurance of my highest consideration.

FRANK B. KELLOGG.

STATEMENT

[Pension Increases.]

THE WHITE HOUSE, *May 1, 1926.*

It has been necessary for me to delay approving the bill increasing the pensions of the Spanish War veterans and their dependents, not because of any lack of sympathy with the objects of the bill, but on account of the Government financing which it involved. I have recognized that those connected with the Spanish War have always held a position of equality, so far as Government bounty is concerned, compared with those connected with other wars. It cannot be denied that they are entitled to be placed on a higher rate of pensions than they are now receiving, if others are entitled to what the Government is doing for them.

According to the best estimates that can be secured, the results of the present financial year, which ends June 30, will show a moderate surplus. This can be used to meet moderate expenditures that are not continuing in their nature but require but one appropriation. For the next fiscal year present indications show a deficit of a little over

$21,000,000. When the requirements of the Spanish War Pension bill of nearly $19,000,000 are added, that deficit becomes $40,000,000.

This bill calls for continuing appropriations, once it becomes law, and each budget must be made with a recommendation for sufficient funds to pay these additional pensions. If it were in the nature of a law for building and construction work, when the budgets are made up in the future, the state of the finances could be considered. If the money were not available such building and construction would be delayed until there are funds in the Treasury. Such laws are on a different basis than laws for pensions.

It has been necessary to consult the Treasury. I understand that means, in all probability, can be devised by savings in other directions to meet this moderate additional expenditure. It has also been necessary to confer with various members of the Senate and House as to further additional legislation calling for continuing expenditures. I did not wish the approval of this bill to be taken as an indication that other legislation of that nature could also be financed, or to have it considered as an encouragement to further laws calling for large continuing appropriations.

It is my understanding that instead of promoting such further legislation, it will be considered as making it less desirable and less probable. The authorizing of this additional expense will make it all the more necessary to resist the passage of bills which would increase by any considerable extent the necessity for permanent appropriations.

Members of the Congress advised me that there are already pending bills which are actively supported and energetically pressed that would increase our annual expenditures by about $360,000,000, which is about the amount of the tax reduction. This reduction was nearly $70,000,000 more than I considered advisable, but I recognize that it is peculiarly within the discretion of the Congress to deal with the subject of taxation and I therefore approved their judgment.

But, having made the reduction, I know that they have in mind resisting appropriations which will be more than can be met by the Treasury under the tax laws which they have passed. With these expectations, I am approving the increase in pensions of the Spanish War veterans.

Having made the wise decision of keeping down expenditures in order that taxes may be reduced, that policy must be continued by constant and reiterated efforts. The alternative is well known and perfectly apparent to everybody. If we now increase our annual expenditures by large amounts, the inevitable result will be a necessity for the Congress to impose additional taxes through the passage of a new tax bill. It is for that reason that it is necessary to maintain the principle of government economy.

CALVIN COOLIDGE.

EXECUTIVE ORDER

[Use of State and Local Officials in Enforcing Prohibition.]

THE WHITE HOUSE, *May 8, 1926.*

The Executive Order of January 17, 1873, is hereby amended by the addition of the following paragraph:

In order that they may more efficiently function in the enforcement of the National Prohibition Act, any State, county, or municipal officer may be appointed, at a nominal rate of compensation, as prohibition officer of the Treasury Department to enforce the provisions of the National Prohibition Act and acts supplemental thereto, in States and territories except in those States having constitutional or statutory provisions against State officers holding office under the Federal government.

CALVIN COOLIDGE.

VETO MESSAGE

[Re-Appointment of Chester A. Rothwell to Engineers, U. S. Army.]

THE WHITE HOUSE, *May 14, 1926.*

To the Senate:

Herewith I return without my approval S. 2338, an act entitled "An act authorizing the President to reappoint Chester A. Rothwell, formerly a captain of Engineers, United States Army, an officer of Engineers, United States Army." This officer in the regular course of dealing with the personnel of the Army was discharged by reason of being placed in class B, which meant that his work was below average, by a provisional finding made by a board consisting of Major Generals Bullard, Shanks, Bundy, Ely, W. R. Smith, and Brigadier General Graves. His record shows that he was reported absent without leave from November 27 to December 1, 1919. He was relieved from duty at the University of Tennessee at the request of the commanding general of the Southeastern Department because of a letter, dated April 6, 1920, in which it was stated, "He does not give the professor of military science and tactics loyal support." Major Anderson, of the Corps of Engineers, made an efficiency report covering the period, May 3 to July 30, 1920, in which he states, "Tends to reach decisions before fully informing himself." The efficiency report of Major Sullivan, covering the period July 1, 1922, to May 12, 1923, gives his general estimate as "A below average officer." The efficiency report of Major Sturdevant, Corps of Engineers, covering July 1 to October 1, 1923, states, "He requires supervision in administrative details involving paper work or compliance with written instructions." The report of

Major Schley, Corps of Engineers, covering October 1, 1923, to March 20, 1924, contains adverse comment on the personal action of the officer, stating that at one time he was reprimanded orally by the commandant. The War Department states that "There is correspondence on file in subject's record which shows that he has not always given careful attention to prompt payment" of legal obligations. An abbreviated efficiency report by Colonel Fischer, Coast Artillery Corps, covering period August 28 to October 20, 1924, the War Department states, contains "an inclosure with this report showing that subject was reprimanded and confined to his post for absence without authority from 7 p. m., October 7, to 3 p. m., October 8, 1924."

This officer apparently served acceptably in France and was recommended for a decoration, which, however, was not given. A final classification board consisting of Major Generals Summerall, and Sturgis and Brigadier Generals Bowley, Callan, Upton, and Collins on April 10, 1925, finally classified this officer in class B by unanimous action, the basis of this action by the board being "Lacking in attention to duty, initiative in administration, and executive ability. Careless. Indifferent. Fails to take advantage of his opportunities for improvement." On May 26, 1925, The Adjutant General found that the placing of Captain Rothwell finally in class B was justified by the entire record and recommended that the findings of the classification board be approved. This was done by the War Department, and the officer was honorably discharged with one year's pay June 23, 1925.

Only one case has occurred in which an officer has been restored to the Army after having been discharged through class B proceedings, and that was because it was discovered that he should have been retired for physical disability incident to the service. This was done with the approval of the War Department, and that officer was appointed and placed on the retired list. It is not necessary to set out in further detail the record of this officer.

It must also be borne in mind that should he be reinstated he would deprive some first lieutenant on the active list of the Regular Army of a chance for promotion to the grade of captain, to which he is justly entitled.

I deem it necessary for the discipline of our military forces that the judgment of the efficiency board should be accepted by the President and the Congress as final unless some information develops which was not known at the time of their action and which otherwise would probably have caused them to reach a different conclusion. Nothing in this record indicates that such is the case in relation to Captain Rothwell, and I have therefore reluctantly come to the conclusion that I must return this act without my approval. CALVIN COOLIDGE.

ADDRESS

[One Hundred and Fiftieth Anniversary of the Declaration of Independence.]

PHILADELPHIA, PA., *July 5, 1926.*

Fellow Countrymen:

We meet to celebrate the birthday of America. The coming of a new life always excites our interest. Although we know in the case of the individual that it has been an infinite repetition reaching back beyond our vision, that only makes it the more wonderful. But how our interest and wonder increase when we behold the miracle of the birth of a new nation. It is to pay our tribute of reverence and respect to those who participated in such a mighty event that we annually observe the fourth day of July. Whatever may have been the impression created by the news which went out from this city on that summer day in 1776, there can be no doubt as to the estimate which is now placed upon it. At the end of one hundred fifty years the four corners of the earth unite in coming to Philadelphia as to a holy shrine in grateful acknowledgment of a service so great, which a few inspired men here rendered to humanity, that it is still the preeminent support of free government throughout the world.

Although a century and a half measured in comparison with the length of human experience is but a short time, yet measured in the life of governments and nations it ranks as a very respectable period. Certainly enough time has elapsed to demonstrate with a great deal of thoroughness the value of our institutions and their dependability as rules for the regulation of human conduct and the advancement of civilization. They have been in existence long enough to become very well seasoned. They have met, and met successfully, the test of experience.

It is not so much then for the purpose of undertaking to proclaim new theories and principles that this annual celebration is maintained, but rather to reaffirm and reestablish those old theories and principles which time and the unerring logic of events have demonstrated to be sound. Amid all the clash of conflicting interests, amid all the welter of partisan politics, every American can turn for solace and consolation to the Declaration of Independence and the Constitution of the United States with the assurance and confidence that those two great charters of freedom and justice remain firm and unshaken. Whatever perils appear, whatever dangers threaten, the nation remains secure in the knowledge that the ultimate application of the law of the land will provide an adequate defense and protection.

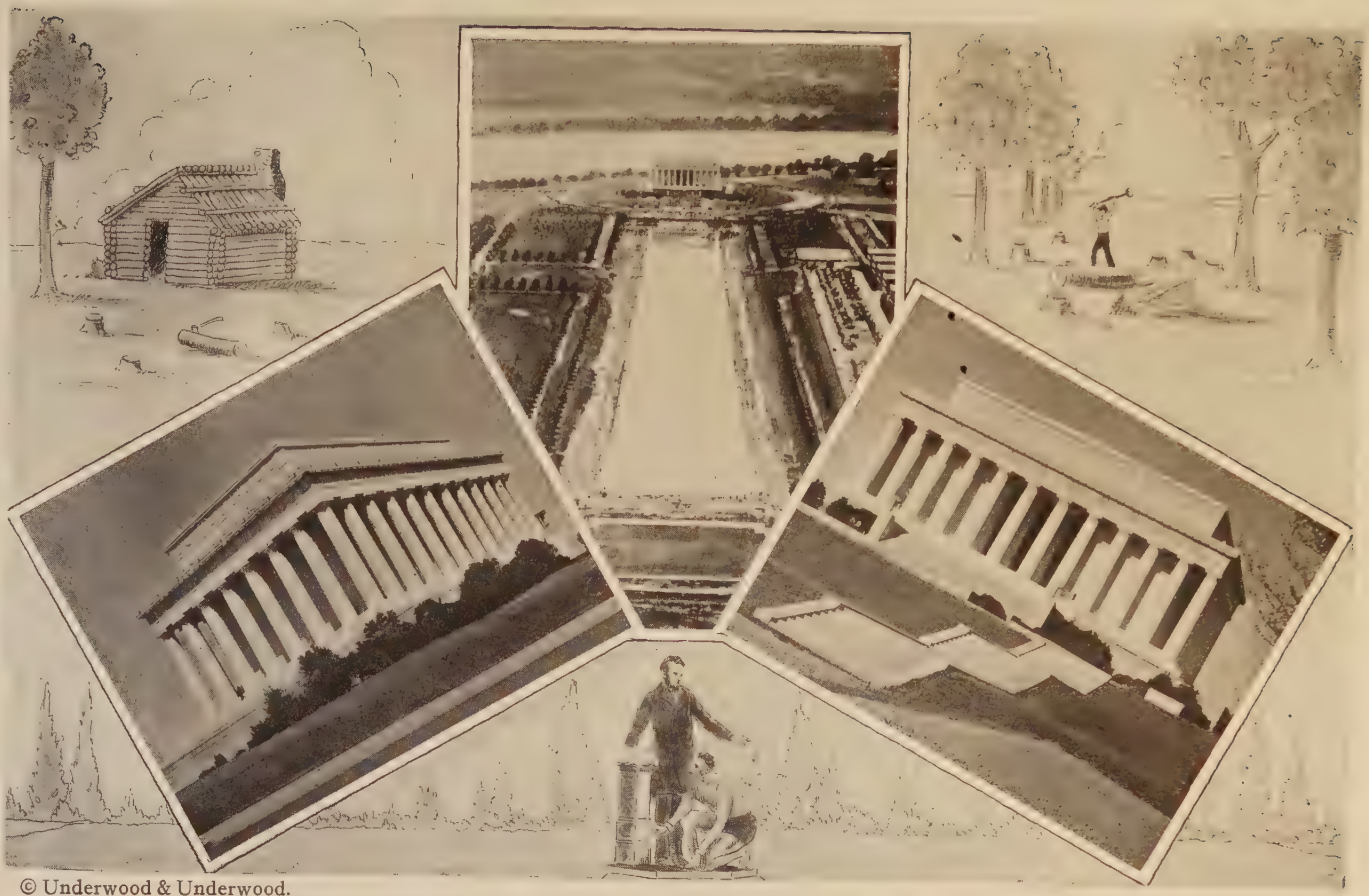
It is little wonder that people at home and abroad consider Independence Hall as hallowed ground and revere the Liberty Bell as a sacred relic. That pile of bricks and mortar, that mass of metal, might

appear to the uninstructed as only the outgrown meeting place and the shattered bell of a former time, useless now because of more modern conveniences, but to those who know they have become consecrated by the use which men have made of them. They have long been identified with a great cause. They are the framework of a spiritual event. The world looks upon them, because of their associations of one hundred and fifty years ago, as it looks upon the Holy Land because of what took place there nineteen hundred years ago. Through use for a righteous purpose they have become sanctified.

It is not here necessary to examine in detail the causes which led to the American Revolution. In their immediate occasion they were largely economic. The colonists objected to the navigation laws which interfered with their trade, they denied the power of Parliament to impose taxes which they were obliged to pay, and they therefore resisted the royal governors and the royal forces which were sent to secure obedience to these laws. But the conviction is inescapable that a new civilization had come, a new spirit had arisen on this side of the Atlantic more advanced and more developed in its regard for the rights of the individual than that which characterized the Old World. Life in a new and open country had aspirations which could not be realized in any subordinate position. A separate establishment was ultimately inevitable. It had been decreed by the very laws of human nature. Man everywhere has an unconquerable desire to be the master of his own destiny.

We are obliged to conclude that the Declaration of Independence represented the movement of a people. It was not, of course, a movement from the top. Revolutions do not come from that direction. It was not without the support of many of the most respectable people in the Colonies, who were entitled to all the consideration that is given to breeding, education, and possessions. It had the support of another element of great significance and importance to which I shall later refer. But the preponderance of all those who occupied a position which took on the aspect of aristocracy did not approve of the Revolution and held toward it an attitude either of neutrality or open hostility. It was in no sense a rising of the oppressed and downtrodden. It brought no scum to the surface, for the reason that colonial society had developed no scum. The great body of the people were accustomed to privations, but they were free from depravity. If they had poverty, it was not of the hopeless kind that afflicts great cities, but the inspiring kind that marks the spirit of the pioneer. The American Revolution represented the informed and mature convictions of a great mass of independent, liberty-loving, God-fearing people who knew their rights, and possessed the courage to dare to maintain them.

The Continental Congress was not only composed of great men, but it represented a great people. While its members did not fail to exercise



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THE LINCOLN MEMORIAL AT WASHINGTON

THE LINCOLN MEMORIAL

The central panel on the preceding page shows the scene at the dedication of the memorial to Abraham Lincoln at the capital of the country which he held together. The view was taken from the top of the Washington Monument, which faces the Lincoln Memorial from the observer's end of the lagoon. In the background flow the placid waters of the Potomac. The panel to the right gives a closer view of the Memorial and that on the left gives a rear view taken from the Potomac. A view of the statue of Lincoln within the Memorial will be found opposite another page. See also the Encyclopedic Index, "Lincoln Memorial."

President Harding's address at the dedication exercises of the Lincoln Memorial begins on page 9127. It is interesting to compare his analysis of Lincoln's character with the analysis of President Wilson, on page 8160.

a remarkable leadership, they were equally observant of their representative capacity. They were industrious in encouraging their constituents to instruct them to support independence. But until such instructions were given they were inclined to withhold action.

While North Carolina has the honor of first authorizing its delegates to concur with other colonies in declaring independence, it was quickly followed by South Carolina and Georgia, which also gave general instructions broad enough to include such action. But the first instructions which unconditionally directed its delegates to declare for independence came from the great commonwealth of Virginia. These were immediately followed by Rhode Island and Massachusetts, while the other colonies, with the exception of New York, soon adopted a like course.

This obedience of the delegates to the wishes of their constituents, which in some cases caused them to modify their previous positions, is a matter of great significance. It reveals an orderly process of government in the first place; but more than that, it demonstrates that the Declaration of Independence was the result of the seasoned and deliberate thought of the dominant portion of the people of the colonies. Adopted after long discussion and as the result of the duly authorized expression of the preponderance of public opinion, it did not partake of dark intrigue or hidden conspiracy. It was well advised. It had about it nothing of the lawless and disordered nature of a riotous insurrection. It was maintained on a plane which rises above the ordinary conception of rebellion. It was in no sense a radical movement but took on the dignity of a resistance to illegal usurpations. It was conservative and represented the action of the colonists to maintain their constitutional rights which from time immemorial had been guaranteed to them under the law of the land.

When we come to examine the action of the Continental Congress in adopting the Declaration of Independence in the light of what was set out in that great document and in the light of succeeding events, we can not escape the conclusion that it had a much broader and deeper significance than a mere secession of territory and the establishment of a new nation. Events of that nature have been taking place since the dawn of history. One empire after another has arisen, only to crumble away as its constituent parts separated from each other and set up independent governments of their own. Such actions long ago became commonplace. They have occurred too often to hold the attention of the world and command the admiration and reverence of humanity. There is something beyond the establishment of a new nation, great as that event would be, in the Declaration of Independence which has ever since caused it to be regarded as one of the great charters that not only was to liberate America but was everywhere to ennoble humanity.

It was not because it was proposed to establish a new nation, but

because it was proposed to establish a nation on new principles, that July 4, 1776, has come to be regarded as one of the greatest days in history. Great ideas do not burst upon the world unannounced. They are reached by a gradual development over the length of time usually proportionate to their importance. This is especially true of the principles laid down in the Declaration of Independence. Three very definite propositions were set out in its preamble regarding the nature of mankind and therefore of government. These were the doctrine that all men are created equal, that they are endowed with certain inalienable rights, and that therefore the source of the just powers of government must be derived from the consent of the governed.

If no one is to be accounted as born into a superior station, if there is to be no ruling class, and if all possess rights which can neither be bartered away nor taken from them by any earthly power, it follows as a matter of course that the practical authority of the Government has to rest on the consent of the governed. While these principles were not altogether new in political action, and were very far from new in political speculation, they had never been assembled before and declared in such a combination. But remarkable as this may be, it is not the chief distinction of the Declaration of Independence. The importance of political speculation is not to be underestimated, as I shall presently disclose. Until the idea is developed and the plan made there can be no action.

It was the fact that our Declaration of Independence containing these immortal truths was the political action of a duly authorized and constituted representative public body in its sovereign capacity, supported by the force of general opinion and by the armies of Washington already in the field, which makes it the most important civil document in the world. It was not only the principles declared, but the fact that therewith a new nation was born which was to be founded upon those principles and which from that time forth in its development has actually maintained those principles, that makes this pronouncement an incomparable event in the history of government. It was an assertion that a people had arisen determined to make every necessary sacrifice for the support of these truths and by their practical application bring the War of Independence to a successful conclusion and adopt the Constitution of the United States with all that it has meant to civilization.

The idea that the people have a right to choose their own rulers was not new in political history. It was the foundation of every popular attempt to depose an undesirable king. This right was set out with a good deal of detail by the Dutch when as early as July 26, 1581, they declared their independence of Philip of Spain. In their long struggle with the Stuarts the British people asserted the same principles, which finally culminated in the Bill of Rights deposing the last of that house

and placing William and Mary on the throne. In each of these cases sovereignty through divine right was displaced by sovereignty through the consent of the people. Running through the same documents, though expressed in different terms, is the clear inference of inalienable rights. But we should search these charters in vain for an assertion of the doctrine of equality. This principle had not before appeared as an official political declaration of any nation. It was profoundly revolutionary. It is one of the corner stones of American institutions.

But if these truths to which the declaration refers have not before been adopted in their combined entirety by national authority, it is a fact that they had been long pondered and often expressed in political speculation. It is generally assumed that French thought had some effect upon our public mind during Revolutionary days. This may have been true. But the principles of our declaration had been under discussion in the Colonies for nearly two generations before the advent of the French political philosophy that characterized the middle of the eighteenth century. In fact, they come from an earlier date. A very positive echo of what the Dutch had done in 1581, and what the English were preparing to do, appears in the assertion of the Rev. Thomas Hooker of Connecticut as early as 1638, when he said in a sermon before the General Court that—

> The foundation of authority is laid in the free consent of the people.
> The choice of public magistrates belongs to the people by God's own allowance.

This doctrine found wide acceptance among the nonconformist clergy who later made up the Congregational Church. The great apostle of this movement was the Rev. John Wise, of Massachusetts. He was one of the leaders of the revolt against the royal governor Andros in 1687, for which he suffered imprisonment. He was a liberal in ecclesiastical controversies. He appears to have been familiar with the writings of the political scientist, Samuel Pufendorf, who was born in Saxony in 1632. Wise published a treatise, entitled "The Church's Quarrel Espoused," in 1710, which was amplified in another publication in 1717. In it he dealt with the principles of civil government. His works were reprinted in 1772 and have been declared to have been nothing less than a textbook of liberty for our Revolutionary fathers.

While the written word was the foundation, it is apparent that the spoken word was the vehicle for convincing the people. This came with great force and wide range from the successors of Hooker and Wise. It was carried on with a missionary spirit which did not fail to reach the Scotch-Irish of North Carolina, showing its influence by significantly making that Colony the first to give instructions to its delegates looking

to independence. This preaching reached the neighborhood of Thomas Jefferson, who acknowledged that his "best ideas of democracy" had been secured at church meetings.

That these ideas were prevalent in Virginia is further revealed by the Declaration of Rights, which was prepared by George Mason and presented to the general assembly on May 27, 1776. This document asserted popular sovereignty and inherent natural rights, but confined the doctrine of equality to the assertion that "All men are created equally free and independent." It can scarcely be imagined that Jefferson was unacquainted with what had been done in his own Commonwealth of Virginia when he took up the task of drafting the Declaration of Independence. But these thoughts can very largely be traced back to what John Wise was writing in 1710. He said, "Every man must be acknowledged equal to every man." Again, "The end of all good government is to cultivate humanity and promote the happiness of all and the good of every man in all his rights, his life, liberty, estate, honor and so forth * * *."

And again, "For as they have a power every man in his natural state, so upon combination they can and do bequeath this power to others and settle it according as their united discretion shall determine." And still again, "Democracy is Christ's government in church and state." Here was the doctrine of equality, popular sovereignty, and the substance of the theory of inalienable rights clearly asserted by Wise at the opening of the eighteenth century, just as we have the principle of the consent of the governed stated by Hooker as early as 1638.

When we take all these circumstances into consideration, it is but natural that the first paragraph of the Declaration of Independence should open with a reference to Nature's God and should close in the final paragraphs with an appeal to the Supreme Judge of the world and an assertion of a firm reliance on Divine Providence. Coming from these sources, having as it did this background, it is no wonder that Samuel Adams could say "The people seem to recognize this resolution as though it were a decree promulgated from heaven."

No one can examine this record and escape the conclusion that in the great outline of its principles the Declaration was the result of the religious teachings of the preceding period. The profound philosophy which Jonathan Edwards applied to theology, the popular preaching of George Whitefield, had aroused the thought and stirred the people of the colonies in preparation for this great event. No doubt the speculations which had been going on in England, and especially on the Continent, lent their influence to the general sentiment of the times. Of course, the world is always influenced by all the experience and all the thought of the past. But when we come to a contemplation of the immediate conception of

the principles of human relationship which went into the Declaration of Independence we are not required to extend our search beyond our own shores. They are found in the texts, the sermons, and the writings of the early colonial clergy who were earnestly undertaking to instruct their congregations in the great mystery of how to live. They preached equality because they believed in the fatherhood of God and the brotherhood of man. They justified freedom by the text that we are all created in the divine image, all partakers of the divine spirit.

Placing every man on a plane where he acknowledged no superiors, where no one possessed any right to rule over him, he must inevitably choose his own rulers through a system of self-government. This was their theory of democracy. In those days such doctrines would scarcely have been permitted to flourish and spread in any other country. This was the purpose which the fathers cherished. In order that they might have freedom to express these thoughts and opportunity to put them into action, whole congregations with their pastors had migrated to the colonies. These great truths were in the air that our people breathed. Whatever else we may say of it, the Declaration of Independence was profoundly American.

If this apprehension of the facts be correct, and the documentary evidence would appear to verify it, then certain conclusions are bound to follow. A spring will cease to flow if its source be dried up; a tree will wither if its roots be destroyed. In its main features the Declaration of Independence is a great spiritual document. It is a declaration not of material but of spiritual conceptions. Equality, liberty, popular sovereignty, the rights of man—these are not elements which we can see and touch. They are ideals. They have their source and their roots in the religious convictions. They belong to the unseen world. Unless the faith of the American people in these religious convictions is to endure, the principles of our Declaration will perish. We can not continue to enjoy the result if we neglect and abandon the cause.

We are too prone to overlook another conclusion. Governments do not make ideals, but ideals make governments. This is both historically and logically true. Of course the government can help to sustain ideals and can create institutions through which they can be the better observed, but their source by their very nature is in the people. The people have to bear their own responsibilities. There is no method by which that burden can be shifted to the government. It is not the enactment, but the observance of laws, that creates the character of a nation.

About the Declaration there is a finality that is exceedingly restful. It is often asserted that the world has made a great deal of progress since 1776, that we have had new thoughts and new experiences which have given us a great advantage over the people of that day, and that we may therefore very well discard their conclusions for something

more modern. But that reasoning can not be applied to this great charter. If all men are created equal, that is final. If they are endowed with inalienable rights, that is final. If governments derive their just powers from the consent of the governed, that is final. No advance, no progress can be made beyond these propositions. If anyone wishes to deny their truth or their soundness, the only direction in which he can proceed historically is not forward, but backward toward the time when there was no equality, no rights of the individual, no rule of the people. Those who wish to proceed in that direction can not lay claim to progress. They are reactionary. Their ideas are not more modern, but more ancient, than those of the Revolutionary fathers.

In the development of its institutions America can fairly claim that it has remained true to the principles which were declared one hundred and fifty years ago. In all the essentials we have achieved an equality which was never possessed by any other people. Even in the less important matter of material possessions we have secured a wider and wider distribution of wealth. The rights of the individual are held sacred and protected by constitutional guaranties which even the Government itself is bound not to violate. If there is any one thing among us that is established beyond question, it is self-government—the right of the people to rule. If there is any failure in respect to any of these principles, it is because there is a failure on the part of individuals to observe them. We hold that the duly authorized expression of the will of the people has a divine sanction. But even in that we come back to the theory of John Wise that "Democracy is Christ's government * * *."

The ultimate sanction of law rests on the righteous authority of the Almighty.

On an occasion like this a great temptation exists to present evidence of the practical success of our form of democratic republic at home and the ever-broadening acceptance it is securing abroad. Although these things are well known, their frequent consideration is an encouragement and an inspiration. But it is not results and effects so much as sources and causes that I believe it is even more necessary constantly to contemplate. Ours is a government of the people. It represents their will. Its officers may sometimes go astray, but that is not a reason for criticizing the principles of our institutions. The real heart of the American Government depends upon the heart of the people. It is from that source that we must look for all genuine reform. It is to that cause that we must ascribe all our results.

It was in the contemplation of these truths that the fathers made their declaration and adopted their Constitution. It was to establish a free government, which must not be permitted to degenerate into the unrestrained authority of a mere majority of the unbridled weight of a mere influential few. They undertook to balance these interests against each

other and provide the three separate independent branches, the executive, the legislative, and the judicial departments of the Government, with checks against each other in order that neither one might encroach upon the other. These are our guaranties of liberty. As a result of these methods enterprise has been duly protected from confiscation, the people have been free from oppression, and there has been an ever-broadening and deepening of the humanities of life.

Under a system of popular government there will always be those who will seek for political preferment by clamoring for reform. While there is very little of this which is not sincere, there is a large portion that is not well informed. In my opinion very little of just criticism can attach to the theories and principles of our institutions. There is far more danger of harm than there is hope of good in any radical changes. We do need a better understanding and comprehension of them and a better knowledge of the foundations of government in general. Our forefathers came to certain conclusions and decided upon certain courses of action which have been a great blessing to the world. Before we can understand their conclusions we must go back and review the course which they followed. We must think the thoughts which they thought. Their intellectual life centered around the meetinghouse. They were intent upon religious worship. While there were always among them men of deep learning, and later those who had comparatively large possessions, the mind of the people was not so much engrossed in how much they knew, or how much they had, as in how they were going to live. While scantily provided with other literature, there was a wide acquaintance with the Scriptures. Over a period as great as that which measures the existence of our independence they were subject to this discipline not only in their religious life and educational training, but also in their political thought. They were a people who came under the influence of a great spiritual development and acquired a great moral power.

No other theory is adequate to explain or comprehend the Declaration of Independence. It is the product of the spiritual insight of the people. We live in an age of science and of abounding accumulation of material things. These did not create our Declaration. Our Declaration created them. The things of the spirit come first. Unless we cling to that, all our material prosperity, overwhelming though it may appear, will turn to a barren scepter in our grasp. If we are to maintain the great heritage which has been bequeathed to us, we must be like-minded as the fathers who created it. We must not sink into a pagan materialism. We must cultivate the reverence which they had for the things that are holy. We must follow the spiritual and moral leadership which they showed. We must keep replenished, that they may glow with a more compelling flame, the altar fires before which they worshipped.

EXECUTIVE ORDER

[Documents Required of Aliens Entering the United States.]

THE WHITE HOUSE, *July 12, 1926.*

By virtue of the authority vested in me by the Act of Congress approved May 22, 1918, entitled, "An Act to Prevent in Time of War Departure from and Entry into the United States Contrary to the Public Safety," as extended by the Act of Congress of March 2, 1921, entitled, "An Act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1922," and with reference to the Act of Congress of May 26, 1924, known as the "Immigration Act of 1924," I hereby prescribe the following regulations governing the entry of aliens into the United States:

I

Immigrants:

They must present immigration visas, quota or non-quota, in accordance with the requirements of the Immigration Act of 1924, except—

(1) Children born subsequent to the issuance of the immigration visa of the accompanying parent. (Sec. 13 (a) (1), Immigration Act of 1924.) Such children are not required to present documents of any kind;

(2) Aliens who have previously been admitted legally into the United States, have departed therefrom and returned within six months, not having proceeded to countries other than Canada, Newfoundland, St. Pierre, Miquelon, Bermuda, Mexico, Cuba, and other islands included in the Bahama and Greater Antilles groups, are not required to present passports, visas, or permits to reenter.

(3) Aliens, other than those specified in (2) above, who have previously been admitted legally into the United States, have departed therefrom, and are returning from a temporary visit abroad, may present, in lieu of immigration visas, permits to reenter, issued pursuant to Section 10 of the Immigration Act of 1924.

With reference to Section 28 (e) of the Immigration Act of 1924, the Executive Secretary of the Panama Canal, Balboa Heights, Canal Zone, is hereby authorized to issue immigration visas to aliens coming to the United States from the Canal Zone; the Collector of Customs of the Philippine Islands is hereby authorized to issue immigration visas to aliens coming to the United States from the Philippine Islands; the Governor of American Samoa is hereby authorized to issue immigration visas to aliens coming to the United States from American Samoa; and the Governor of Guam is hereby authorized to issue immigration visas to aliens coming to the United States from Guam.

II

Non-Immigrants:

With the exceptions hereinafter specified, they must present passports or official documents in the nature of passports issued by the governments of the countries to which they owe allegiance, duly visaed by consular officers of the United States; Exceptions:

(1) Persons in transit through the United States to a foreign destination. They may present transit certificates according to regulations prescribed by the Secretary of State.

(2) Aliens who are through passengers on vessels touching at ports of the United States. In this connection the term "United States" is to be construed as in Section 1 of the Immigration Act of 1917. They may land temporarily, under regulations prescribed by the Department of Labor, without documents of any kind.

(3) Wives and children under sixteen years of age accompanying their husbands or parents. They are not required to present separate passports if they are mentioned in the passports of their husbands or parents and their photographs are attached thereto.

(4) Citizens of St. Pierre and Miquelon and French citizens domiciled therein; citizens of Canada, Newfoundland, Bermuda, the Bahamas, and British possessions in the Greater Antilles, and British subjects domiciled therein; citizens of Panama, Mexico, Cuba, Haiti, and the Dominican Republic. Such persons may pass in transit through the United States, or enter the United States temporarily, without passports or visas.

(5) Seamen. Masters of vessels of all nationalities sailing for a port of the United States must submit for visa a list of all the alien members of the vessel's crew to the American consular officer at the port from which the vessel commences its voyage. If there is no American consular officer stationed at that port, the crew list should be submitted at the first port of call (if the vessel touches at any other port) where an American consular officer is located. This does not refer to consular agents, who are not authorized to visa crew lists. However, this paragraph has no application to members of crews of vessels sailing between ports of the United States and ports of Canada, Newfoundland, St. Pierre and Miquelon and not touching at ports of other countries. Such persons are not required to be documental.

When a vessel sails from a port where no American Consul is stationed, but which is within a few hours reach by mail of an American Consulate, so that unreasonable delay and serious loss would not result from referring the crew list to such Consulate, it should be referred thereto for visa.

The visa of a Shipping Commissioner in the Canal Zone shall be accepted as equivalent to the visa of an American Consul.

If an alien seaman whose name is not included in a visaed crew list arrives at a port of the United States he shall not be allowed to land except upon the permission of the Secretary of State.

(6) Aliens making round-trip cruises from American ports without transshipment from the original vessel to another one while en route, provided the original contract for passage calls for transportation from an American port to the ports included in the cruise, and return to either the original or another American port, require no visas for reentry into the United States.

(7) Aliens of no nationality, and those who, when they apply for visas, are outside of the territories of the countries to which they owe allegiance and who, for any reason, are unable to obtain passports or documents in the nature of passports issued by the governments of such countries, and aliens bearing passports issued by governments not recognized by the United States. They may enter the United States with documents showing their origin and identity, visaed by consuls, under regulations prescribed by the Secretary of State.

III

(1) Aliens entering the Philippine Islands, except those referred to in II (2), must present passports or documents in the nature of passports, duly visaed by consular officers of the United States; but seamen on vessels of all nationalities touching at a port of the Philippine Islands are not required to be documented. Masters of such vessels are, therefore, not required to present visaed crew lists.

(2) Aliens entering any other American possessions not included under Section 28 (a) of the Immigration Act of 1924, do not require documents of any kind.

The definitions contained in Section 28 of the Immigration Act of 1924 shall be regarded as applicable to this order, except as herein otherwise specified.

The Secretary of State and the Secretary of Labor are hereby authorized to make such additional rules and regulations, not inconsistent with this order, as may be deemed necessary for carrying out the provisions of this order and the statutes mentioned herein.

This order shall take effect August 1, 1926, and shall supersede the Executive Order of January 12, 1925, entitled, "Documents Required of Aliens Entering the United States," and the Executive Order of March 31, 1925, entitled, "Documents Required of Aliens Entering the Philippine Islands, Guam and American Samoa," but shall not supersede the Executive Order of July 14, 1924, entitled "Documents Required of Aliens Entering the United States on Airships."

CALVIN COOLIDGE.

By the President of the United States of America.

PROCLAMATIONS

[Exportation of Arms or Munitions of War to Nicaragua Unlawful.]

Whereas, Section I of a Joint Resolution of Congress, entitled a "Joint Resolution to Prohibit the Exportation of Arms or Munitions of War from the United States to Certain Countries, and for other Purposes," approved January 31, 1922, provides as follows:

> That whenever the President finds that in any American country, or in any country in which the United States exercises extraterritorial jurisdiction, conditions of domestic violence exist, which are or may be promoted by the use of arms or munitions of war procured from the United States, and makes proclamation thereof, it shall be unlawful to export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress.

And whereas, it is provided by Section II of the said Joint Resolution that "Whoever exports any arms or munitions of war in violation of section I shall on conviction be punished by fine not exceeding $10,000, or by imprisonment not exceeding two years, or both."

Now, therefor, I, Calvin Coolidge, President of the United States of America, acting under and by virtue of the authority conferred in me by the said Joint Resolution of Congress, do hereby declare and proclaim that I have found that there exists in Nicaragua such conditions of domestic violence which are or may be promoted by the use of arms or munitions of war procured from the United States as contemplated by the said Joint Resolution; and I do hereby admonish all citizens of the United States and every person to abstain from every violation of the provisions of the Joint Resolution above set forth, hereby made applicable to Nicaragua, and I do hereby warn them that all violations of such provisions will be rigorously prosecuted.

And I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said Joint Resolution and this my Proclamation issued thereunder, and in bringing to trial and punishment any offenders against the same.

And I do hereby delegate to the Secretary of State the power of prescribing exceptions and limitations to the application of the said Joint Resolution of January 31, 1922, as made effective by this my Proclamation issued thereunder.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this 15th day of September in the year of our Lord one thousand nine hundred and twenty-six, [SEAL.] and of the Independence of the United States of America the one hundred and fifty-first.

CALVIN COOLIDGE.

By the President:

FRANK B. KELLOGG, *Secretary of State.*

[Fire Prevention Week—1926.]

The nation's constantly increasing fire waste is cause for general concern and consideration. In 1905 the total loss of property due to fire was $165,000,000. In 1915 it was $172,000,000, and in 1925 had increased to more than $570,000,000. In addition, thousands of lives are sacrificed each year through fires, a large majority of which are preventable. The conservation of man power and material wealth from such destruction is a challenge to the progress of our civilization. It demands the attention of every citizen.

The effect of fire waste is national, but it is only by concerted efforts in our cities, towns, hamlets and on our farms that a reduction may be achieved. To the federal government this matter is of grave concern, but we must rely on the cumulative contributions of communities throughout the land to make fire prevention an actuality. While efforts should be made constantly to reduce fire destruction to a minimum, in pursuance of a well established precedent, one week is set aside each year during which the urgent need of preventing fires is forcibly stressed. This may well be the starting point for a continuous fire prevention program extending over the entire country. Unquestionably this is a most important means of attacking fire waste, and

Therefore, I, Calvin Coolidge, President of the United States, recommend that the week beginning Sunday, October 3, be observed through the country as Fire Prevention Week. To state and municipal officials, civic and commercial organizations, school authorities, the clergy and the press I especially appeal in order that there may be a full degree of cooperation. Farmers and others living in rural districts, who are said to have suffered a fire loss of $150,000,000 in the past year, are particularly requested to join in this movement. If every individual will adopt and practice the simple precautionary measures advocated as fire prevention safeguards, fire hazards and their consequences will be materially reduced.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this 21st day of September, in the year of our Lord one thousand nine hundred and twenty-six, [SEAL.] and of the Independence of the United States of America the one hundred and fifty-first.

CALVIN COOLIDGE.

By the President:

FRANK B. KELLOGG, *Secretary of State.*

ADDRESS

[Annual Meeting of American Red Cross, Washington, D. C. October 4, 1926.]

Members of the Convention:

The annual convention of the American Red Cross is an occasion for reemphasizing the fact that the world is not yet perfect, and rededicating ourselves to continuing sacrifices for its redemption. Such a conception in its entirety is not simple but very complex. It is not narrow and restricted, but very broad and comprehensive. It brings into consideration the whole field of human relationship. The main purpose of this organization is charity, but charity is not something that can exist of itself, apart from all else. It is a very complete demonstration of the fact that we live in a world that is interrelated and interdependent. Charity depends not only on a benevolent spirit but upon the material resources by means of which such a sentiment can manifest itself.

It is the realization of this principle that helps to sanctify the realm of business. The people of this country are engaged in their various daily occupations in order that they may meet their wide and comprehensive obligations. No doubt their first thought is to be self-supporting and independent, maintaining themselves and their families in comfort, supplying the needs of their declining years, and passing on to posterity the means of a broader existence and a more comprehensive life. It is with this in view that they have given heed to the scriptural injunction to be diligent in business, and under the inspiration of this motive America has become rich and prosperous. But our obligation does not end there. Although there is no doubt that we have surpassed every other people in that direction we have not yet attained, and perhaps it is not possible for finite beings to attain, to a complete economic justice. The limitations of humanity and the results of unforeseen and unforeseeable contingencies constantly leave some of our people, oftentimes without any fault on their part, in a condition of want and distress which they are unable of themselves to alleviate. Nothing is clearer than the requirement which is laid on society to use its resources for the relief and restoration of such conditions. The success and com-

pleteness with which these obligations are discharged measure the moral rank of a people.

In a country as extended and diversified as our own which recognizes its obligation not only to itself but to humanity at large, such charity can not be left to the chance impulse of the occasion. It requires trained skill and thorough organization for its effective operation. It is to meet this broad purpose that the American Red Cross has been organized and maintained.

More and more each year it has become a symbol and expression of the divine sympathy which exists in every human being. It takes the heart beats of humanity and transforms them into concrete acts for the alleviation of misery and suffering. Begun as an agency of mercy to relieve those stricken in battle, it soon developed into a service to heal the scars of those broken in body and spirit by such combats. This work is still vitally necessary. We can only hope that some day there will be found a way to prevent these appalling conflicts between nations, which bring such a harvest of physically maimed and mentally wrecked, with the resultant destruction of man power and material resources.

But to-day there is much more in our Red Cross. Wonderful advances have been made in developing and organizing its peace-time activities. One of the purposes written into its charter, granted by Congress in 1905, is "* * * to continue and carry on a system of national and international relief in time of peace, and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other great national calamities, and"—I desire to lay particular stress on this—"to devise and carry on measures for preventing the same."

This is a broad grant for service! In recent years we have come to realize more fully the great value of prevention. As this idea progresses and is carried out with increasing success, need for alleviation, for healing, and reconstruction inevitably will be lessened. This incalculable benefit to humanity is the goal to set for ourselves!

Never in the history of mankind have benevolence and beneficence been applied so widely and effectively. Modern business methods and the results of scientific research have been adopted and put into operation. A sympathetic disposition, a desire to be helpful—these may be the marks of a fine nature, but they can not be of maximum benefit to others without an organization such as the Red Cross. Not only has our work been developed to a high degree of efficiency, but in and by that development has been set an example of virtues worthy of emulation by individuals, groups, and nations.

One of our best-known services is that of disaster relief. It was first brought into large use under powers of the 1905 charter when the great emergency arose in San Francisco the following year. This agency has been perfected until now the supervision of relief in times of calamity,

without any question, and with the utmost confidence and by common consent, is placed in the hands of the Red Cross. Preparedness and promptness are among its cardinal principles. Its forces and resources are organized so there may be no delay in securing immediate action when catastrophe strikes with sudden and destructive hand. Relief quickly given is doubly beneficial. We have recently had an example of its swiftness and efficiency in the emergency caused by the Florida storm. The relief agencies were put in motion upon receipt of the first news. Within twenty-four hours of the issuance of my appeal for financial assistance subscriptions amounting to hundreds of thousands of dollars were reported to national headquarters in Washington. That was only the beginning.

The public has come to realize the superlative ability of this organization to cope with such situations. There is faith that all contributions will be wisely, economically, and honestly spent for the benefit of the sufferers—none being used for purposes of administration. Another virtue of this society is that it "follows through." Once having entered a devastated area, the Red Cross does not leave until there has been complete rehabilitation. It does not withdraw after the acute physical ills have been alleviated. Help is continued until every person affected has been restored to full powers of efficiency and the community has been reconstructed. Such work took a full year after the tri-state tornado in the mid-west in March, 1925; and a total of $3,000,000 was expended.

Aid is given freely, necessity being the only requirement, and in such a way that the benefactor does not feel himself an object of charity. He does not lose his self-respect. Rather is he inspired by a fine example to a better and more efficient life, that he in turn may render service to others.

While the Red Cross comes strikingly before the public eye at times of great emergency, reported extensively in the newspapers, it is in the less well-known and unspectacular services where constant and most important benefits are rendered. Not only are our active soldiers and sailors ministered to, but encouragement and assistance are being given to our war veterans, wherever they may be. In the broad field of prevention, destined to play an increasingly valuable rôle in the progress of civilization, already an excellent start has been made. Among the services now being supported by the Red Cross are: Home hygiene and care of the sick, public health and nursing, nutrition, first aid, and life-saving. It is not intended that local committees shall be superseded in their privilege and duty to carry on health preservation and social service work. But we undertake to start such activities wherever needed and to arouse public sentiment to the necessity of maintenance by the local authorities.

One of the most promising of the recent developments is the Junior Red Cross, organized among the young of high-school age. The aim is to inspire in the youth the fine spirit of service and self-sacrifice which is so characteristic of the senior organization. These junior groups are kept in touch with similar groups in foreign lands, and evidences of good will are frequently exchanged. Who can doubt that this spirit of friendliness fostered among the young people of the different nations will bring a harvest of better international understanding and of mutual respect in the years to come? Among the choicest treasures of my bookshelves are thousands upon thousands of bound personal letters written by the school children of Japan expressing the gratitude of that exceedingly courteous nation for the millions of relief which was afforded them by the American Red Cross at the time of the devastating earthquake and flood which overwhelmed Tokyo and the surrounding territory in 1923. Out of the spirit of those who gave and the gratitude of those who received a better understanding and more enduring ties of friendship have certainly been wrought.

Suffering and sorrow are universal. Sympathy and a desire to help those in distress are characteristics not confined to any one nation. Already the American Red Cross has established a comprehensive sphere of influence throughout these United States. It has more than 3,000,000 senior and over 5,500,000 junior members. There are 3,537 chapters, nearly 500 in excess of the total number of counties in our States. We are cooperating with other countries through the Pan American Red Cross and through the League of Red Cross Societies, composed of 54 independent national organizations. We have time and again given freely in aid of stricken communities in foreign lands.

All of this represents a tremendous organizing ability, embracing vast resources, and including an enormous number of people. There was never any other like charity in the world. It represents idealism applied in a sensible, practical, sound way to the real problems of relief.

What the Red Cross is doing is only one example of the innumerable results of American idealism. While there is no more moving spectacle than that of the poor, out of their meager substance, extending relief to their fellow beings in time of distress, such relief would be entirely inadequate to meet the needs of modern society. To extend medical aid, to give the necessary food, clothing, and shelter to the victims of disaster in the crowded areas of the world, either in war or peace, require great outlays of money and large aggregates of personal service. This can only be furnished from the resources of wealth and prosperity. The fact that these charities are supplied not only for the Red Cross but in innumerable other directions is one of the most complete demonstrations that our people in their effort to accumulate property are moved by a righteous purpose. Their success has not been turned to greed, avarice,

INTERIOR, LINCOLN MEMORIAL

INTERIOR, LINCOLN MEMORIAL

The imposing statue of Abraham Lincoln within the memorial erected to him at Washington is by Daniel Chester French. On the walls are graven notable passages from Lincoln's messages and papers. Other views of the Lincoln Memorial will be found opposite another page. President Harding's address at the dedication of the Memorial begins on page 9127 and President Wilson's analysis of Lincoln's character, on page 8160.

or selfishness, but has been productive of generosity, benevolence, and charity.

In this country we have no permanent class requiring charity. We have been remarkably free from the havoc of war, with its accompanying results of the maimed and the dependent, but even only under the hazards of peace 115,000,000 people can not exist without temporary emergencies constantly arising which need charitable relief. When we consider the rest of the world the requirements are endless and stupendous.

While America has been and is surpassingly great in its charities, it looks upon those ministrations to our inhabitants as temporary and accidental. The normal state of the American people, the standard toward which all efforts are bent for attainment, usually with success, is that of a self-supporting, self-governing, independent people. That represents to us a condition of health and soundness which it is exceedingly desirable to maintain. After all the ideal charity is to place in the hands of the people the means of satisfying their own requirements through their own efforts.

It is for these reasons that it is necessary to rely so largely upon the economic condition of the country to minister to the idealism of the country. We may be moved ever so strongly with benevolent impulses; but if we are without means to afford relief, such sentiments are of little practical value. Even where generosity and wealth both exist we can not say that even these are sufficient. After all, human nature does not want permanent charity but permanent independence through the opportunity to work out its own destiny. It is at this point that the economic well-being and prosperity of a nation passes over into the ideal. Great wealth belonging to a few is not a condition that we seek in this country, but rather a system of production and distribution where the great mass of people shall be contributors to the process and shall share in the rewards. Under this system, toward which we are constantly advancing in America, prosperity and idealism merge, and the cause of economics serves the cause of humanity. The higher idealism, the true philanthropy, is not that which comes to the rescue after the catastrophe, but rather that which through obedience to sound economic laws creates a prosperity among the people that anticipates and prevents the the need of charity.

EXECUTIVE ORDER

[Political Activities of Alaska Railroad Employees.]

THE WHITE HOUSE, *October 22, 1926.*

In accordance with a recommendation of the Secretary of the Interior and the General Manager of The Alaska Railroad, employees of the

railroad permanently residing in municipalities on the line of the railroad are hereby permitted to become candidates for municipal office therein, or may hold such office, provided the attention required by such employment does not, in the judgment of the General Manager, interfere with the regular and efficient discharge of the duties of their positions under the railroad.

CALVIN COOLIDGE.

ADDRESS

[Before American Association of Advertising Agencies at Washington, Wednesday, October 27, 1926.]

MEMBERS OF THE ASSOCIATION:

Sometimes it seems as though our generation fails to give the proper estimate and importance to the values of life. Results appear to be secured so easily that we look upon them with indifference. We take too many things as a matter of course, when in fact they have been obtained for us only as the result of ages of effort and sacrifice. We look at our economic condition upon which we are absolutely dependent for the comforts and even the necessaries of life, and forgetting that it all rests on industry, thrift, and management, dismiss it lightly as a matter that does not concern us. Occasionally our attention is directed to our political institutions, which have been secured for us through the disinterested exertion of generations of patriotism, and, going along oblivious to the fact that they are the sole guarantees of our rights to life and liberty, we turn away with the comforting thought that we can let some party committee attend to getting out the vote and that probably the Government will run itself all right anyway. Then perhaps we are attracted by the buildings erected for education, or the temples dedicated to religious worship, and without stopping to realize that these are the main source of the culture of society and the moral and spiritual life of the people we pass them by as the concern very largely of schoolmasters and clergymen. We have become so accustomed to the character of our whole, vast, and intricate system of existence that we do not ordinarily realize its enormous importance.

It seems to me probable that of all our economic life the element on which we are inclined to place too low an estimate is advertising. When we come in contact with our great manufacturing plants, our extensive systems of transportation, our enormous breadth of agriculture, or the imposing structures of commerce and finance, we are forced to gain a certain impression by their very magnitude, even though we do not stop to consider all their implications. By the very size and nature of their material form they make an appeal to the senses, even though their import does not reach the understanding. But as we turn through the pages of

the press and the periodicals, as we catch the flash of billboards along the railroads and the highways, all of which have become enormous vehicles of the advertising art, I doubt if we realize at all the impressive part that these displays are coming more and more to play in modern life. Even the most casual observation, however, reveals to us that advertising has become a great business. It requires for its maintenance investments of great amounts of capital, the occupation of large areas of floor space, the employment of an enormous number of people, heavy shipments through the United States mails, wide service by telephone and telegraph, broad use of the printing and paper trades, and the utmost skill in direction and management. In its turnover it runs into hundreds of millions of dollars each year.

When we stop to consider the part which advertising plays in the modern life of production and trade we see that basically it is that of education. It informs its readers of the existence and nature of commodities by explaining the advantages to be derived from their use and creates for them a wider demand. It makes new thoughts, new desires, and new actions. By changing the attitude of mind it changes the material condition of the people. Somewhere I have seen ascribed to Abraham Lincoln the statement that "In this and like communities public sentiment is everything. With public sentiment nothing can fail; without it nothing can succeed; consequently he who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions. He makes statutes and decisions possible or impossible to be executed." Advertising creates and changes this foundation of all popular action, public sentiment, or public opinion. It is the most potent influence in adopting and changing the habits and modes of life, affecting what we eat, what we wear, and the work and play of the whole nation. Formerly it was an axiom that competition was the life of trade. Under the methods of the present day it would seem to be more appropriate to say that advertising is the life of trade.

Two examples of this influence have come to me in a casual way. While I can not vouch for the details, I believe in their outline they are substantially correct. One relates to an American industry that had rather phenomenal growth and prosperity in the late eighties and early nineties, being the foundation of one or two large fortunes. In its development it had been a most generous advertiser. A time came when various concerns engaged in this line of manufacturing were merged and consolidated. There being no longer any keen competition, it was felt that it was now no longer necessary to explain to the public the value of this product or the superiority of one make over another. In order to save the large expense that had been made for that purpose, advertising was substantially abandoned. The inevitable result followed, which all well-informed trade quarters now know would follow. But the value

of advertising was not so well understood twenty-five or thirty years ago. This concern soon became almost a complete failure. As I recall, it had to be reorganized, entailing great losses. This line of trade was later revived under the direction and counsel of some of its old managers, and with the proper amount of publicity became a successful enterprise.

But let us turn from the unfortunate experience of the loss that occurred through lack of advertising to an example of gain that was made through the shrewd application of this principle. In a somewhat typical American community a concern was engaged in an industrial enterprise. Its employees were not required to be men of great skill. Oftentimes they were new arrivals in this country who had been brought up to be accustomed to the meager scale of living abroad. Their wants were not large, so that under the American rate of wages they found it possible to supply themselves and their families without working anywhere near full time. As a result, production was low compared with the number employed and was out of proportion to the overhead expense of management and capital costs. Some fertile mind conceived the idea of locating a good milliner in that community. The wares of this shop were generously advertised through window display, newspaper space, and circularization. I suppose that every head of a family knows that a new bonnet on the head of one of the women in the neighborhood is contagious. The result in that community almost at once was better wearing apparel for the women, which necessitated more steady employment for the men. The output of the plant was greatly increased, its cost units were reduced, its profits were enlarged, it could sell its product to its customers at a lower figure, and the whole industry was improved. More wealth was produced. But the reaction went even further. The whole standard of living in that locality was raised. All the people became better clothed, better fed, and better housed. They had aspirations, and the means to satisfy them, for the finer things of life. All of this came from the judicious application of the principle of advertising.

The system which brought about these results is well known to the members of this association. You have seen innumerable instances where concerns have failed through lack of advertising and innumerable others where they have made a success through the right kind and amount of publicity. Under its stimulation the country has gone from the old hand methods of production which were so slow and laborious with high unit costs and low wages to our present great factory system and its mass production with the astonishing result of low unit costs and high wages. The preeminence of America in industry, which has constantly brought about a reduction of costs, has come very largely through mass production. Mass production is only possible where there is mass demand. Mass demand has been created almost entirely through the development of advertising.

In former days goods were expected to sell themselves. Oftentimes they were carried about from door to door. Otherwise, they were displayed on the shelves and counters of the merchant. The public were supposed to know of these sources of supply and depend on themselves for their knowledge of what was to be sold. Modern business could neither have been created nor can it be maintained on any such system. It constantly requires publicity. It is not enough that goods are made, a demand for them must also be made. It is on this foundation of enlarging production through the demands created by advertising that very much of the success of the American industrial system rests.

It will at once occur to those who have given any thought to these subjects how important it is to the continuing success of the business which this gathering represents, and to the general welfare of the country, that the conditions under which these results have been secured should be maintained. It is our high rate of wages which brings about the greatest distribution of wealth that the world has ever seen and provides the enormous capacity for the consumption of all kinds of commodities which characterizes our country. With our improved machinery, with the great increase in power that has come from steam and electricity, with the application of engineering methods to production, the output of each individual engaged in our industrial and agricultural life is steadily increasing. The elimination of waste through standardization has been another most important factor in this direction. If we proceed under our present system, there would appear to be little reason to doubt that we can continue to maintain all of these high standards in wages, in output, and in consumption indefinitely, and with our home markets as a foundation increase our foreign commerce by a greater exchange of those commodities in which we are peculiarly favored for the commodities of other nations in which they have a special advantage. But nothing would appear to be plainer than that this all depends upon the maintenance of our American scale of wages, which is the main support of our home market.

It is to be seen that advertising is not an economic waste. It ministers to the true development of trade. It is no doubt possible to waste money through wrong methods of advertising, as it can be wasted through wrong methods in any department of industry. But rightfully applied, it is the method by which the desire is created for better things. When that once exists, new ambition is developed for the creation and use of wealth. The uncivilized make little progress because they have few desires. The inhabitants of our country are stimulated to new wants in all directions. In order to satisfy their constantly increasing desires they necessarily expand their productive power. They create more wealth because it is only by that method that they can satisfy their wants. It

is this constantly enlarging circle that represents the increasing progress of civilization.

A great power has been placed in the hands of those who direct the advertising policies of our country, and power is always coupled with responsibilities. No occupation is charged with greater obligations than that which partakes of the nature of education. Those engaged in that effort are changing the trend of human thought. They are molding the human mind. Those who write upon that tablet write for all eternity. There can be no permanent basis for advertising except a representation of the exact truth. Whenever deception, falsehood, and fraud creep in they undermine the whole structure. They damage the whole art. The efforts of the Government to secure correct labels, fair trade practices, and equal opportunity for all our inhabitants is fundamentally an effort to get the truth into business. The Government can do much in this direction by setting up correct standards, but all its efforts will fail unless it has the loyal support of the business men of the nation. If our commercial life is to be clean and wholesome and permanent in the last resort, it will be because those who are engaged in it are determined to make it so. The ultimate reformers of business must be the business men themselves. My conception of what advertising agencies want is a business world in which the standards are so high that it will only be necessary for them to tell the truth about it. It will never be possible to create a permanent desire for things which do not have a permanent worth. It is my belief that more and more the trade of our country is conforming to these principles.

The national Government has a large interest in all these problems, though many of them are confined in their jurisdiction to the states. The general welfare of the country, its progress and prosperity, are very intimately connected with the commerce that flows from agriculture and industry. Unless that be in a healthy condition, constantly expanding, securing reasonable profits, employment begins to fail, sooner or later wages begin to fall, markets are oversupplied, movements of freight decrease, factories are idle, and the results of all these are that want and distress creep into the home. You can easily draw the converse of this picture. It has been the almost universal experience in American life of late. Local conditions here and there have brought contrary results, probably unavoidable for a long time to come, but in the main the country has been and is prosperous. Perhaps the most creditable aspect of our present prosperity is that wages are high while profits have been moderate. That means that the results of prosperity are going more and more into the homes of the land and less into the enrichment of the few, more and more to the men and women and less and less to the capital which is engaged in our economic life. If this were not so, this country could not support 20,000,000 automobiles, purchase so many radios, and

install so many telephones. From a recent fear of being exploited by large aggregations of wealth, the people of America are learning to make such great concerns their most faithful servants. This problem is not entirely solved yet. Here and there abuses occur, but business is gradually being taught that the only method of permanent success lies in an honest, faithful, conscientious service to the public.

You are familiar with the efforts which the federal Government has been making to contribute to peace and prosperity during the recent reconstruction period. We are steadily reducing our national debt, cutting down the interest charges. We have released hundreds of thousands of people from the unproductive field of Government employment to the productive field of business life. The burdens of taxation have been so far removed that they are now for the most part lightly borne, and the disproportionate charges formerly made to supply the public revenues have been released to flow into the avenues of trade and investment. We have supplied large sums for the rehabilitation of Europe and the financing of South America to the advantage of our foreign commerce, which now stands at a peace-time record. Through international covenants limiting naval armaments we have reduced the cost of national defense and made large guarantees to the peace of the world. All of this has been a program of constructive economy, beneficial alike to ourselves and to other people. In making this economically possible, in spreading its benefits, in carrying its fruits into the homes of the land, advertising has supplied and will continue to supply a very important part. Without the advantages that accrue from that art these accomplishments would not have been possible.

But Americans are never satisfied with the past or present. They are always impatient of the future. Our history has been that of an increasing prosperity. There have always been fluctuations in trade, but with our present system of banking and our enormous capacity for consumption such fluctuations will apparently be much less violent and are unlikely to sink to the level of depression. We can not tell what a particular month or locality may develop, but over the broad face of our country seedtime will be followed by the harvest, the productive capacity will increase, and our people will become more prosperous.

These results, however, can not be considered as guaranteed by our material resources alone. They will accrue to us, not because of our fertile agricultural fields, our deposits of coal, iron, and precious metals, nor even from the present state of our development of trade with its accompanying supports of manufacturing, transportation, and finance. We can not rely on these alone. They could all be turned into instruments of destruction. Our chief warrant for faith in the future of America lies in the character of the American people. It is our belief in what they are going to do, rather than our knowledge of what they

are going to have, that causes us to face the coming years with hope and confidence. The future of our country is not to be determined by the material resources, but by the spiritual life of the people. So long as our economic activities can be maintained on the standard of competition in service, we are safe. If they ever degenerate into a mere selfish scramble for rewards, we are lost. Our economic well-being depends on our integrity, our honor, our conscience. It is through these qualities that your profession makes its especial appeal. Advertising ministers to the spiritual side of trade. It is a great power that has been intrusted to your keeping which charges you with the high responsibility of inspiring and ennobling the commercial world. It is all part of the greater work of the regeneration and redemption of mankind.

PROCLAMATIONS

By the President of the United States of America.

[Thanksgiving 1926.]

As a nation and as individuals we have passed another twelve months in the favor of the Almighty. He has smiled upon our fields and they have brought forth plentifully; business has prospered; industries have flourished, and labor has been well employed. While sections of our country have been visited by disaster, we have been spared any great national calamity or pestilential visitation. We are blessed among the nations of the earth.

Our moral and spiritual life has kept measure with our material prosperity. We are not unmindful of the gratitude we owe to God for His watchful care which has pointed out to us the ways of peace and happiness; we should not fail in our acknowledgment of His divine favor which has bestowed upon us so many blessings. Neither should we be forgetful of those among us who, through stress of circumstances, are less fortunately placed, but by deeds of charity make our acknowledgment more acceptable in His sight.

Wherefore, I, Calvin Coolidge, President of the United States, do hereby set apart Thursday, the twenty-fifth day of November next as a day of general thanksgiving and prayer, and I recommend that on that day the people shall cease from their daily work, and in their homes or in their accustomed places of worship, devoutly give thanks to the Almighty for the many and great blessings they have received, and seek His guidance that through good deeds and brotherly love they may deserve a continuance of His favor.

In witness whereof, I have hereunto set my hand and caused to be affixed the great seal of the United States.

Done at the City of Washington, this thirtieth day of October, in the year of Our Lord One Thousand Nine Hundred and Twenty-
[SEAL] six, and of the Independence of the United States, the One Hundred and Fifty-first. CALVIN COOLIDGE.

By the President:

JOSEPH C. GREW, *Acting Secretary of State*

[Armistice Day, 1926.]

Whereas the 11th of November, 1918, marked the cessation of the most destructive, sanguinary, and far-reaching war in human annals; and

Whereas it is fitting that the recurring anniversary of this date should be commemorated with thanksgiving and prayer and exercises designed to perpetuate peace through good will and mutual understanding between nations; and

Whereas, by a concurrent resolution, passed by the Senate on May 25, 1926, and by the House of Representatives on June 4, 1926, the President was requested to issue a proclamation "calling upon the officials to display the flag of the United States on all Government buildings on November 11th, and inviting the people of the United States to observe the day in schools and churches or other places, with appropriate ceremonies expressive of our gratitude for peace and our desire for the continuance of friendly relations with all other peoples":

Now, therefore, I, Calvin Coolidge, President of the United States of America, in pursuance of the said concurrent resolution, do hereby order that the flag of the United States be displayed on all Government buildings on November 11, 1926, and do invite the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies expressive of our gratitude for peace and our desire for the continuance of friendly relations with all other peoples.

In witness whereof, I have hereunto set my hand and caused to be affixed the great seal of the United States.

Done at the city of Washington this 3d day of November, in the year of our Lord one thousand nine hundred and twenty-six, and of
[SEAL] the Independence of the United States, the one hundred and fifty-first. CALVIN COOLIDGE.

By the President:

FRANK B. KELLOGG, *Secretary of State.*

EXECUTIVE ORDER

[Presidential Postmasterships.]

THE WHITE HOUSE, *November 5, 1926.*

When a vacancy exists or hereafter occurs in the position of postmaster at an office of the first, second, or third class, if such vacancy is not filled

by nomination of some person within the competitive classified civil service who has the required qualifications, then the Postmaster General shall certify the fact to the Civil Service Commission, which shall forthwith hold an open competitive examination to test the fitness of applicants to fill such vacancy, and when such examination has been held and the papers in connection therewith have been rated, the said commission shall certify the results thereof to the Postmaster General, who shall submit to the President the name of one of the highest three qualified eligibles for appointment to fill such vacancy unless it is established that the character or residence of any such applicant disqualifies him for appointment: Provided, That at the expiration of the term of any person appointed to such position through examination before the Civil Service Commission, the Postmaster General may, in his discretion, submit the name of such person to the President for renomination without further examination.

No person who has passed his sixty-fifth birthday, or who has not actually resided within the delivery of such office for two years next preceding the date of examination, shall be given the examination herein provided for. *The Postmaster General shall determine before sending a name to the President that the candidate so selected has continued to reside within the delivery of the post office since the examination and up to the time of such selection.*

If, under this order, it is desired to make nomination for any office of a person in the competitive classified service, such person must first be found by the Civil Service Commission to meet the minimum requirements for the office. CALVIN COOLIDGE.

ARMISTICE DAY ADDRESS

[Dedicating Liberty Memorial in Kansas City, Missouri, on November 11, 1926.]

Fellow Countrymen:

It is with a mingling of sentiments that we come to dedicate this memorial. Erected in memory of those who defended their homes and their freedom in the World War, it stands for service and all that service implies. Reverence for our dead, respect for our living, loyalty to our country, devotion to humanity, consecration to religion, all of these and much more is represented in this towering monument and its massive supports. It has not been raised to commemorate war and victory, but rather the results of war and victory which are embodied in peace and liberty. In its impressive symbolism it pictures the story of that one increasing purpose declared by the poet to mark all the forces of the past which finally converge in the spirit of America in order that our country as

the heir of all the ages, in the foremost files of time

may forever hold aloft the glowing hope of progress and peace to all humanity.

Five years ago it was my fortune to take part in a public service held on this very site when General Pershing, Admiral Beatty, Marshal Foch, General Diaz, and General Jacques, representing several of the Allied countries in the war, in the presence of the American Legion convention, assisted in a formal beginning of this work which is now reaching its completion. To-day I return at the special request of the distinguished Senators from Missouri and Kansas, and on the invitation of your committee on arrangements, in order that I may place the official sanction of the national Government upon one of the most elaborate and impressive memorials that adorn our country. It comes as a fitting observance of this eighth anniversary of the signing of the armistice on November 11, 1918. In each recurring year this day will be set aside to revive memories and renew ideals. While it did not mark the end of the war, for the end is not yet, it marked a general subsidence of the armed conflict which for more than four years shook the very foundations of western civilization.

We have little need to inquire how that war began. Its day of carnage is done. Nothing is to be gained from criminations and recriminations. We are attempting to restore the world to a state of better understanding and amity. We can even leave to others the discussion of who won the war. It is enough for us to know that the side on which we fought was victorious. But we should never forget that we were asserting our rights and maintaining our ideals. That, at least, we shall demand as our place in history.

The energy and success with which our country conducted its military operations after it had once entered the war has now become a closed record of fame. The experience of this thriving city and these two adjoining states was representative of that of the country. Soon came the marshaling of the National Guard. From its existing units in Missouri and Kansas the foundation of the Thirty-fifth Division was laid. The Eighty-ninth Division was raised almost entirely in these two states. A portion of the Forty-second, known as the Rainbow Division, came from this city. The whole martial spirit of this neighborhood, which within a radius of 200 miles had furnished the famous Regiment of Missouri Volunteers, commanded by Colonel John W. Doniphan when he made one of the most celebrated of marches to the conquest of Chihuahua in the Mexican War, reasserted itself as it had done in 'Sixty-one and 'Ninety-eight. While these divisions were serving with so much distinction on the battlefields of France their fellow citizens were supporting them with scarcely less distinction in patriotic efforts at home. They were furnishing money for Liberty Loans, subscribing to the relief associations headed by the Red Cross, turning out munitions

from the factories and rations from the fields. The whole community was inspired with a devotion to the cause of liberty. Returning at the end of the war, these divisions have increased their distinction by being represented in high places in civil life. From the Eighty-ninth came the great administrator and colonial governor, Major General Leonard Wood, and from the Thirty-fifth Division came a distinguished son of Missouri, the present Secretary of War, Colonel Dwight F. Davis.

Under no other flag are those who have served their country held in such high appreciation. It is, of course, impossible for the eyes of the Government to detect all individual cases of veterans requiring relief in every part of our land. But the Veterans' Bureau is organized into departments and subdivisions, so that if any worthy person escapes their observation it is because the utmost care and attention could do no more. In the last eight years about $3,500,000,000 have been expended by the national Government for restoration, education, and relief. Nearly $3,200,000,000 have been pledged to accrue in future benefits to all veterans. Whenever they may be suffering from illness, whatever may be its cause, the doors of our hospitals are open to them without charge until they are restored to health. This is an indication of praise and reward which our country bestows upon its veterans. Our admiration is boundless. It is no mere idle form; it is no shadow without reality, but a solid and substantial effort rising into the dignity of a sacrifice made by all the people that they might in some degree recognize and recompense those who have served in time of national peril. All veterans should know this and appreciate it, and they do. All citizens should know it and be proud of it, and they are.

Considering the inspiring record of your soldiers in the field and the general attitude of appreciation which has been constantly reiterated by the whole nation, it would be but natural to suppose that this mid-western country would give appropriate expression to the honor and devotion in which it holds those who served their country and the ideals for which they were contending. But the magnitude of this memorial, and the broad base of popular support on which it rests, can scarcely fail to excite national wonder and admiration. More than one person out of four in the entire population of this city responded to an appeal for funds, which gave pledges in excess of $2,000,000. It represents the high aspirations of this locality for ideals expressed in forms of beauty. We can not look upon it without seeing a reflection of all the freshness and vigor that marks the life of the broad expanse of the open country and the love of the sciences and the arts and the graces as expressed in the life of her growing towns. These results are not achieved without real sacrifice. They supply their own overpowering answer to those who charge our countrymen with a lack of appreciation for the finer things of life. Those who have observed such criticism can not fail to discover that it results in

large part, from misunderstanding. But assuming it to be correct, I am of the firm conviction that there is more hope for the progress of true ideals in the modern world even from a nation newly rich than there is from a nation of chronically poor. Honest poverty is one thing, but lack of industry and character is quite another. While we do not need to boast of our prosperity, or vaunt our ability to accumulate wealth, I see no occasion to apologize for it. It is the expression of a commendable American spirit to live a life not merely devoted to luxurious ease, but to practical accomplishment. Nowhere is this better exemplified than in our great mid-continental basin. It is the spirit which dares, which has faith, and which succeeds. It is not confined to materialism, but lays hold on a higher life.

No one can doubt that our country was exalted and inspired by its war experience. It attained a conscious national unity which it never before possessed. That unity ought always to be cherished as one of our choicest possessions. In this broad land of ours there is enough for everybody. We ought not to regret our diversification, but rather rejoice in it. The seashore should not be distressed because it is not the inlands, and the fertile plains ought not to be distracted because they are not the mountain tops. These differences which seem to separate us are not real. The products of the shore, the inlands, the plain, and the mountain reach into every home. This is all one country. It all belongs to us. It is all our America.

We had revealed to us in our time of peril not only the geographical unity of our country, but, what was of even more importance, the unity of the spirit of our people. They might speak with different tongues, come from most divergent quarters of the globe, but in the essentials of the hour they were moved by a common purpose, devoted to a common cause, and loyal to a common country. We should not permit that spirit which was such a source of strength in our time of trial to be dissipated in the more easy days of peace. We needed it then and we need it now. But we ought to maintain it, not so much because it is to our advantage as because it is just and human and right.

Our population is a composite of many different racial strains. All of them have their points of weakness; all of them have their points of strength. We shall not make the most progress by undertaking to rely upon the sufficiency of any one of them, but rather by using the combination of the power which can be derived from all of them. The policy which was adopted during the war of selective service through the compulsory Government intervention is the same policy which we should carry out in peace through voluntary personal action. Our armies could not be said to partake of any distinct racial characteristic. Many of our soldiers were foreigners by birth, but they were all Americans in the defense of our common interests. There was ample opportunity for

every nationality and every talent. The same condition should prevail in our peace-time social and economic organization. We recognize no artificial distinctions, no hereditary titles, but leave each individual free to assume and enjoy the rank to which his own services to society entitle him. This great lesson in democracy, this great example of equality which came to us as the experience of the war, ought never to be forgotten. It was a resurgence of the true American spirit which combined our people through a common purpose into one harmonious whole. When Armistice Day came in 1918, America had reached a higher and truer national spirit than it ever before possessed. We at last realized in a new vision that we were all one people.

Our country has never sought to be a military power. It cherishes no imperialistic designs, it is not infatuated with any vision of empire. It is content within its own territory, to prosper through the development of its own resources. But we realize thoroughly that no one will protect us unless we protect ourselves. Domestic peace and international security are among the first objects to be sought by any government. Without order under the protection of law there could be no liberty. To insure these necessary conditions we maintain a very moderate military establishment in proportion to our numbers and extent of territory. It is a menace to no one except the evildoer. It is a notice to everybody that the authority of our Government will be maintained and that we recognize that it is the first duty of Americans to look after America and maintain the supremacy of American rights. To adopt any other policy would be to invite disorder and aggression which must either be borne with humiliating submission or result in a declaration of war.

While of course our Government is thoroughly committed to a policy of permanent international peace and has made and will continue to make every reasonable effort in that direction, it is therefore also committed to a policy of adequate national defense. Like everything that has any value, the Army and Navy cost something. In the last half dozen years we have appropriated for their support about $4,000,000,000. Taken as a whole, there is no better Navy than our own in the world. If our Army is not as large as that of some other countries, it is not outmatched by any other like number of troops. Our entire military and naval forces represent a strength of about 550,000 men, altogether the largest which we have ever maintained in time of peace. We have recently laid out a five-year program for improving our aviation service. It is a mistake to suppose that our country is lagging behind in this modern art. Both in the excellence and speed of its planes it holds high records, while in number of miles covered in commercial and postal aviation it exceeds that of many other countries.

Although I have spoken of our national defenses somewhat in relation to other countries, I have done so entirely for the purpose of measure-

ment and not for comparison, for our Government stands also thoroughly committed to the policy of avoiding competition in armaments. We expect to provide ourselves with reasonable protection, but we do not desire to enter into competition with any other country in the maintenance of land or sea forces. Such a course is always productive of suspicion and distrust, which usually results in inflicting upon the people an unnecessary burden of expense, and when carried to its logical conclusion ends in armed conflict. We have at last entered into treaties with the great powers eliminating to a large degree competition in naval armaments. We are engaged in negotiations to broaden and extend this humane and enlightened policy and are willing to make reasonable sacrifices to secure its further adoption.

It is doubtful if in the present circumstances of our country the subject of economy and the reduction of the war debt has ever been given sufficient prominence in considering the problem of national defense. For the conduct of military operations either by land or sea three elements are necessary. One is a question of personnel. We have a population which surpasses that of any of the great powers. Not only that, it is of a vigorous and prolific type, intelligent and courageous, capable of supplying many millions of men for active duty. Another relates to supplies. In our agriculture and our industry we could be not only well-nigh sustaining, but our production could be stimulated to reach an enormous amount. The last requirement, which is also of supreme importance, is a supply of money. It is difficult to estimate in figures the entire resources of our country and impossible to comprehend them. It is estimated to be approaching in value $400,000,000,000. No one could say in advance how large a sum could be secured from a system of war taxation, but everyone knows it would be insufficient to meet the cost of war. It would be necessary for the Treasury to resort to the use of the national credit. Great as that might be, it is not limitless. To carry on the last conflict we borrowed in excess of $26,000,000,000. This great debt has been reduced to about $19,000,000,000. So long as that is unpaid it stands as a tremendous impediment against the ability, of America to defend itself by military operations. Until this obligation is discharged it is the one insuperable obstacle to the possibility of developing our full national strength. Every time a Liberty bond is retired preparedness is advanced.

It is more and more becoming the conviction of students of adequate defense that in time of national peril the Government should be clothed with authority to call into its service all of its man power and all of its property under such terms and conditions that it may completely avoid making a sacrifice of one and a profiteer of another. To expose some men to the perils of the battle field while others are left to reap large gains from the distress of their country is not in harmony with our ideal

of equality. Any future policy of conscription should be all inclusive, applicable in its terms to the entire personnel and the entire wealth of the whole nation.

It is often said that we profited from the World War. We did not profit from it, but lost from it in common with all countries engaged in it. Some individuals made gains, but the nation suffered great losses. Merely in the matter of our national debt, it will require heavy sacrifices extended over a period of about 30 years to recoup those losses. What we suffered indirectly in the diminution of our commerce and through the deflation which occurred when we had to terminate the expenditure of our capital and begin to live on our income is a vast sum which can never be estimated. The war left us with debts and mortgages, without counting our obligations to our veterans, which it will take a generation to discharge. High taxes, insolvent banks, ruined industry, distressed agriculture, all followed in its train. While the period of liquidation appears to have been passed, long years of laborious toil on the part of the people will be necessary to repair our loss. It was not because our resources had not been impaired, but because they were so great that we could meantime finance these losses while they are being restored, that we have been able so early to revive our prosperity. But the money which we are making to-day has to be used in part to replace that which we expended during the war.

In time this damage can be repaired, but there are irreparable losses which will go on forever. We see them in the vacant home, in the orphaned children, in the widowed women, in the bereaved parents. To the thousands of the youth who are gone forever must be added other thousands of maimed and disabled. It is these things that bring to us more emphatically than anything else the bitterness, the suffering, and the devastation of armed conflict.

It is not only because of these enormous losses suffered alike by ourselves and the rest of the world that we desire peace, but because we look to the arts of peace rather than war as the means by which mankind will finally develop its greatest spiritual power. We know that discipline comes only from effort and sacrifice. We know that character can result only from toil and suffering. We recognize the courage, the loyalty, and the devotion that are displayed in war, and we realize that we must hold many things more precious than life itself.

> 'Tis man's perdition to be safe
> When for the truth he ought to die.

But it can not be that the final development of all these fine qualities is dependent upon slaughter and carnage and death. There must be a better, purer, process within the realm of peace where humanity can discipline itself, develop its courage, replenish its faith, and perfect its

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BROADCASTING ON THE RADIO

RADIO BROADCASTING

The invention and general use of the radio completely transformed the social life of many families in the third decade of the twentieth century. Not only was the isolated farmer presented with a medium of communication with his fellows, but even dwellers in the thick of the metropoles of the country preferred an evening at home listening to the radio to any of the manifold outside diversions open to them. Political addresses, concerts, athletic contests, sermons, bedtime stories for the little folk—there were few events which the listener on the radio could not enjoy almost as though he were present at them in the flesh.

One of the panels on the preceding page shows some of the apparatus in connection with one of the largest broadcasting stations in the country. Another panel shows a broadcasting station used by the New York City Police Department to send out to the general public descriptions of criminals and missing persons, as well as of those injured in fires or other disasters. Another panel shows a play being produced. The director is equipped with a pair of padded headphones and thus is able to hear the play as it sounds to the listeners to whom it is being broadcasted. He conducts the play by instructions printed on cards. The last panel shows the broadcasting of the organ music in a church service in New York City, the first to be broadcast to the entire United States.

character. In the true service of that ideal, which is even more difficult to maintain than our present standards, it can not be that there would be any lack of opportunity for the revelation of the highest form of spiritual life.

We shall not be able to cultivate the arts of peace by constant appeal to primal instincts. To the people of the jungle, the stranger was always the enemy. As the race grew up through the family, the tribe, the clan, and the nation, this sentiment always survived. The foreigner was subject to suspicion, without rights and without friends. This spirit prevailed even under the Roman Empire. It would not have been sufficient for St. Paul to claim protection because he was a human being, or even an inhabitant of a peaceful province. It was only when he asserted that he was a Roman citizen that he could claim any rights or the protection of any laws. We do not easily emancipate ourselves from these age-old traditions. When we come in contact with people differing from ourselves in dress and appearance, in speech and accent, the inherited habits of our physical being naturally react unfavorably. Nothing is easier than an appeal to suspicion and distrust. It is always certain that the unthinking will respond to such efforts. But such reaction is of the flesh, not of the spirit. It represents the opportunist, not the idealist. It serves the imperialistic cause of conquest, but it is not found in the lesson of the Sermon on the Mount. It may flourish as the impulse of the day, but it is not the standard which will finally prevail in the world. It is necessary that the statesmanship of peace should lead in some other direction.

If we are to have peace, therefore, we are to live in accordance with the dictates of a higher life. We shall avoid any national spirit of suspicion, distrust, and hatred toward other nations. The Old World has for generations indulged itself in this form of luxury. The results have been ruinous. It is not for us who are more fortunately circumstanced to pass judgment upon those who are less favored. In their place we might have done worse. But it is our duty to be warned by their example and to take full advantage of our own position. We want understanding, good will, and friendly relations between ourselves and all other people. The first requisite for this purpose is a friendly attitude on our own part. They tell us that we are not liked in Europe. Such reports are undoubtedly exaggerated and can be given altogether too much importance. We are a creditor nation. We are more prosperous than some others. This means that our interests have come within the European circle where distrust and suspicion, if nothing more, have been altogether too common. To turn such attention to us indicates at least that we are not ignored.

While we can assume no responsibility for the opinions of others, we are responsible for our own sentiments. We ought to be wise enough to

know that in the sober and informed thought of other countries we probably hold the place of a favored nation. We ought not to fail to appreciate the trials and difficulties, the suffering and the sacrifices of the people of our sister nations, and to extend to them at all times our patience, our sympathy, and such help as we believe will enable them to be restored to a sound and prosperous condition. I want to be sure that the attitude and acts of the American Government are right. I am willing to intrust to others the full responsibility for the results of their own behavior.

Our Government has steadily maintained the policy of the recognition and sanctity of international obligations and the performance of international covenants. It has not believed that the world, economically, financially, or morally, could rest upon any other secure foundation. But such a policy does not include extortion or oppression. Moderation is a mutual international obligation. We have therefore undertaken to deal with other countries in accordance with these principles, believing that their application is for the welfare of the world and the advancement of civilization.

In our prosperity and financial resources we have seen not only our own advantage but an increasing advantage to other people who have needed our assistance. The fact that our position is strong, our finances stable, our trade large, has steadied and supported the economic condition of the whole world. Those who need credit ought not to complain, but rather rejoice that there is a bank able to serve their needs. We have maintained our detached and independent position in order that we might be better prepared, in our own way, to serve those who need our help. We have not desired or sought to intrude, but to give our counsel and our assistance when it has been asked. Our influence is none the less valuable because we have insisted that it should not be used by one country against another, but for the fair and disinterested service of all. We have signified our willingness to cooperate with other countries to secure a method for the settlement of disputes according to the dictates of reason.

Justice is an ideal, whether it be applied between man and man or between nation and nation. Ideals are not secured without corresponding sacrifice. Justice can not be secured without the maintenance and support of institutions for its administration. We have provided courts through which it might be administered in the case of our individual citizens. A Permanent Court of International Justice has been established to which nations may voluntarily resort for an adjudication of their differences. It has been subject to much misrepresentation, which has resulted in much misconception of its principles and objects among our people. I have advocated adherence to such a court by this nation

on condition that the statute or treaty creating it be amended to meet our views. The Senate has adopted a resolution for that purpose.

While the nations involved can not yet be said to have made a final determination, and from most of them no answer has been received, many of them have indicated that they are unwilling to concur in the conditions adopted by the resolution of the Senate. While no final decision can be made by our Government until final answers are received, the situation has been sufficiently developed so that I feel warranted in saying that I do not intend to ask the Senate to modify its position. I do not believe the Senate would take favorable action on any such proposal, and unless the requirements of the Senate resolution are met by the other interested nations I can see no prospect of this country adhering to the Court.

While we recognize the obligations arising from the war and the common dictates of humanity which ever bind us to a friendly consideration for other people, our main responsibility is for America. In the present state of the world that responsibility is more grave than it ever was at any other time. We have to face the facts. The margin of safety in human affairs is never very broad, as we have seen from the experience of the last dozen years. If the American spirit fails, what hope has the world? In the hour of our triumph and power we can not escape the need for sober thought and consecrated action. These dead whom we here commemorate have placed their trust in us. Their living comrades have made their sacrifice in the belief that we would not fail. In the consciousness of that trust and that belief this memorial stands as our pledge to their faith, a holy testament that our country will continue to do its duty under the guidance of a Divine Providence.

FOURTH ANNUAL MESSAGE

THE WHITE HOUSE, *December 7, 1926.*

Members of the Congress:

In reporting to the Congress the state of the Union, I find it impossible to characterize it other than one of general peace and prosperity. In some quarters our diplomacy is vexed with difficult and as yet unsolved problems, but nowhere are we met with armed conflict. If some occupations and areas are not flourishing, in none does there remain any acute chronic depression. What the country requires is not so much new policies as a steady continuation of those which are already being crowned with such abundant success. It can not be too often repeated that in common with all the world we are engaged in liquidating the war.

In the present short session no great amount of new legislation is possible, but in order to comprehend what is most desirable some survey of our general situation is necessary. A large amount of time is con-

sumed in the passage of appropriation bills. If each Congress in its opening session would make appropriations to continue for two years, very much time would be saved which could either be devoted to a consideration of the general needs of the country or would result in decreasing the work of legislation.

ECONOMY

Our present state of prosperity has been greatly promoted by three important causes, one of which is economy, resulting in reduction and reform in national taxation. Another is the elimination of many kinds of waste. The third is a general raising of the standards of efficiency. This combination has brought the perfectly astonishing result of a reduction in the index price of commodities and an increase in the index rate of wages. We have secured a lowering of the cost to produce and a raising of the ability to consume. Prosperity resulting from these causes rests on the securest of all foundations. It gathers strength from its own progress.

In promoting this progress the chief part which the National Government plays lies in the field of economy. Whatever doubts may have been entertained as to the necessity of this policy and the beneficial results which would accrue from it to all the people of the Nation, its wisdom must now be considered thoroughly demonstrated. It may not have appeared to be a novel or perhaps brilliant conception, but it has turned out to be preeminently sound. It has not failed to work. It has surely brought results. It does not have to be excused as a temporary expedient adopted as the lesser evil to remedy some abuse, it is not a palliative seeking to treat symptoms, but a major operation for the eradication at the source of a large number of social diseases.

Nothing is easier than the expenditure of public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody. But the results of extravagance are ruinous. The property of the country, like the freedom of the country, belongs to the people of the country. They have not empowered their Government to take a dollar of it except for a necessary public purpose. But if the Constitution conferred such right, sound economics would forbid it. Nothing is more destructive of the progress of the Nation than Government extravagance. It means an increase in the burden of taxation, dissipation of the returns from enterprise, a decrease in the real value of wages, with ultimate stagnation and decay. The whole theory of our institutions is based on the liberty and independence of the individual. He is dependent on himself for support and therefore entitled to the rewards of his own industry. He is not to be deprived of what he earns that others may be benefited by what they do not earn. What he saves

through his private effort is not to be wasted by Government extravagance.

Our national activities have become so vast that it is necessary to scrutinize each item of public expenditure if we are to apply the principle of economy. At the last session we made an immediate increase in the annual budget of more than $100,000,000 in benefits conferred on the veterans of three wars, public buildings, and river and harbor improvement. Many projects are being broached requiring further large outlays. I am convinced that it would be greatly for the welfare of the country if we avoid at the present session all commitments except those of the most pressing nature. From a reduction of the debt and taxes will accrue a wider benefit to all the people of this country than from embarking on any new enterprise. When our war debt is decreased we shall have resources for expansion. Until that is accomplished we should confine ourselves to expenditures of the most urgent necessity.

The Department of Commerce has performed a most important function in making plans and securing support of all kinds of national enterprise for the elimination of waste. Efficiency has been greatly promoted through good management and the constantly increasing cooperation of the wage earners throughout the whole realm of private business. It is my opinion that this whole development has been predicated on the foundation of a protective tariff.

TAX REDUCTION

As a result of economy of administration by the Executive and of appropriation by the Congress, the end of this fiscal year will leave a surplus in the Treasury estimated at $383,000,000. Unless otherwise ordered, such surplus is used for the retirement of the war debt. A bond which can be retired to-day for 100 cents will cost the people 104¼ cents to retire a year from now. While I favor a speedy reduction of the debt as already required by law and in accordance with the promises made to the holders of our Liberty bonds when they were issued, there is no reason why a balanced portion of surplus revenue should not be applied to a reduction of taxation. It can not be repeated too often that the enormous revenues of this Nation could not be collected without becoming a charge on all the people whether or not they directly pay taxes. Everyone who is paying for the bare necessities of food and shelter and clothing, without considering the better things of life, is indirectly paying a national tax. The nearly 20,000,000 owners of securities, the additional scores of millions of holders of insurance policies and depositors in savings banks, are all paying a national tax. Millions of individuals and corporations are making a direct contribution to the National Treasury which runs from 1½ to 25 per cent of

their income, besides a number of special requirements, like automobile and admission taxes. Whenever the state of the Treasury will permit, I believe in a reduction of taxation. I think the taxpayers are entitled to it. But I am not advocating tax reduction merely for the benefit of the taxpayer; I am advocating it for the benefit of the country.

If it appeared feasible, I should welcome permanent tax reduction at this time. The estimated surplus, however, for June 30, 1928, is not much larger than is required in a going business of nearly $4,000,000,000. We have had but a few months' experience under the present revenue act and shall need to know what is developed by the returns of income produced under it, which are not required to be made until about the time this session terminates, and what the economic probabilities of the country are in the latter part of 1927, before we can reach any justifiable conclusion as to permanent tax reduction. Moreover the present surplus results from many nonrecurrent items. Meantime, it is possible to grant some real relief by a simple measure making reductions in the payments which accrue on the 15th of March and June, 1927. I am very strongly of the conviction that this is so much a purely business matter that it ought not to be dealt with in a partisan spirit. The Congress has already set the notable example of treating tax problems without much reference to party, which might well be continued. What I desire to advocate most earnestly is relief for the country from unnecessary tax burdens. We can not secure that if we stop to engage in a partisan controversy. As I do not think any change in the special taxes, or any permanent reduction is practical, I therefore urge both parties of the House Ways and Means Committee to agree on a bill granting the temporary relief which I have indicated. Such a reduction would directly affect millions of taxpayers, release large sums for investment in new enterprise, stimulating industrial production and agricultural consumption, and indirectly benefiting every family in the whole country. These are my convictions stated with full knowledge that it is for the Congress to decide whether they judge it best to make such a reduction or leave the surplus for the present year to be applied to retirement of the war debt. That also is eventually tax reduction.

PROTECTIVE TARIFF

It is estimated that customs receipts for the present fiscal year will exceed $615,000,000, the largest which were ever secured from that source. The value of our imports for the last fiscal year was $4,466,000,000, an increase of more than 71 per cent since the present tariff law went into effect. Of these imports about 65 per cent, or, roughly, $2,900,000,000, came in free of duty, which means that the United States affords a duty-free market to other countries almost equal in value to the total imports of Germany and greatly exceeding the total

imports of France. We have admitted a greater volume of free imports than any other country except England.

We are, therefore, levying duties on about $1,550,000,000 of imports. Nearly half of this, or $700,000,000, is subject to duties for the protection of agriculture and have their origin in countries other than Europe. They substantially increased the prices received by our farmers for their produce. About $300,000,000 more is represented by luxuries such as costly rugs, furs, precious stones, etc. This leaves only about $550,000,000 of our imports under a schedule of duties which is in general under consideration when there is discussion of lowering the tariff. While the duties on this small portion, representing only about 12 per cent of our imports, undoubtedly represent the difference between a fair degree of prosperity or marked depression to many of our industries and the difference between good pay and steady work or wide unemployment to many of our wage earners, it is impossible to conceive how other countries or our own importers could be greatly benefited if these duties are reduced. Those who are starting an agitation for a reduction of tariff duties, partly at least for the benefit of those to whom money has been lent abroad, ought to know that there does not seem to be a very large field within the area of our imports in which probable reductions would be advantageous to foreign goods. Those who wish to benefit foreign producers are much more likely to secure that result by continuing the present enormous purchasing power which comes from our prosperity that has increased our imports over 71 per cent in four years than from any advantages that are likely to accrue from a general tariff reduction.

AGRICULTURE

The important place which agriculture holds in the economic and social life of the Nation can not be overestimated. The National Government is justified in putting forth every effort to make the open country a desirable place to live. No condition meets this requirement which fails to supply a fair return on labor expended and capital invested. While some localities and some particular crops furnish exceptions, in general agriculture is continuing to make progress in recovering from the depression of 1921 and 1922. Animal products and food products are in a more encouraging position, while cotton, due to the high prices of past years supplemented by ideal weather conditions, has been stimulated to a point of temporary overproduction. Acting on the request of the cotton-growing interests, I appointed a committee to assist in carrying out their plans. As a result of this cooperation sufficient funds have been pledged to finance the storage and carrying of 4,000,000 bales of cotton. Whether those who own the cotton are willing to put a part of their stock into this plan depends on themselves. The Federal Govern-

ment has cooperated in providing ample facilities. No method of meeting the situation would be adequate which does not contemplate a reduction of about one-third in the acreage for the coming year. The responsibility for making the plan effective lies with those who own and finance cotton and cotton lands.

The Department of Agriculture estimates the net income of agriculture for the year 1920-21 at only $375,000,000; for 1924-25, $2,656,000,000; for 1925-26, $2,757,000,000. This increase has been brought about in part by the method already referred to, of Federal tax reduction, the elimination of waste, and increased efficiency in industry. The wide gap that existed a few years ago between the index price of agricultural products and the index price of other products has been gradually closing up, though the recent depression in cotton has somewhat enlarged it. Agriculture had on the whole been going higher while industry had been going lower. Industrial and commercial activities, being carried on for the most part by corporations, are taxed at a much higher rate than farming, which is carried on by individuals. This will inevitably make industrial commodity costs high while war taxation lasts. It is because of this circumstance that national tax reduction has a very large indirect benefit upon the farmer, though it can not relieve him from the very great burden of the local taxes which he pays directly. We have practically relieved the farmer of any Federal income tax.

There is agreement on all sides that some portions of our agricultural industry have lagged behind other industries in recovery from the war and that further improvement in methods of marketing of agricultural products is most desirable. There is belief also that the Federal Government can further contribute to these ends beyond the many helpful measures taken during the last five years through the different acts of Congress for advancing the interests of the farmers.

The packers and stockyards act,
Establishing of the intermediate credit banks for agricultural purposes,
The Purnell Act for agricultural research,
The Capper-Volstead Cooperative Marketing Act,
The cooperative marketing act of 1926,
Amendments to the warehousing act,
The enlargement of the activities of the Department of Agriculture,
Enlargement of the scope of loans by the Farm Loan Board,
The tariff on agricultural products,
The large Federal expenditure in improvement of waterways and highways,
The reduction of Federal taxes,

in all comprise a great series of governmental actions in the advancement of the special interest of agriculture.

In determination of what further measures may be undertaken it

seems to me there are certain pitfalls which must be avoided and our test in avoiding them should be to avoid disaster to the farmer himself.

Acting upon my recommendation, the Congress has ordered the Interstate Commerce Commission to investigate the freight-rate structure, directing that such changes shall be made in freight rates as will promote freedom of movement of agricultural products. Railroad consolidation which I am advocating would also result in a situation where rates could be made more advantageous for farm produce, as has recently been done in the revision of rates on fertilizers in the South. Additional benefit will accrue from the development of our inland waterways. The Mississippi River system carries a commerce of over 50,000,000 tons at a saving of nearly $18,000,000 annually. The Inland Waterways Corporation operates boats on 2,500 miles of navigable streams and through its relation with 165 railroads carries freight into and out of 45 States of the Union. During the past six months it has handled over 1,000,000 bushels of grain monthly and by its lower freight rates has raised the price of such grain to the farmer probably 2½ cents to 3 cents a bushel. The highway system on which the Federal Government expends about $85,000,000 a year is of vital importance to the rural regions.

The advantages to be derived from a more comprehensive and less expensive system of transportation for agriculture ought to be supplemented by provision for an adequate supply of fertilizer at a lower cost than it is at present obtainable. This advantage we are attempting to secure by the proposed development at Muscle Shoals, and there are promising experiments being made in synthetic chemistry for the production of nitrates.

A survey should be made of the relation of Government grazing lands to the livestock industry. Additional legislation is desirable more definitely to establish the place of grazing in the administration of the national forests, properly subordinated to their functions of producing timber and conserving the water supply. Over 180,000,000 acres of grazing lands are still pastured as commons in the public domain with little or no regulation. This has made their use so uncertain that it has contributed greatly to the instability of the livestock industry. Very little of this land is suited to settlement or private ownership. Some plan ought to be adopted for its use in grazing, corresponding broadly to that already successfully applied to the national forests.

The development of sound and strong cooperative associations is of fundamental importance to our agriculture. It is encouraging to note, therefore, that a vigorous and healthy growth in the cooperative movement is continuing. Cooperative associations reporting to the Department of Agriculture at the end of 1925 had on their membership rolls a total of 2,700,000 producers. Their total business in 1925 amounted

to approximately $2,400,000,000, compared with $635,800,000 in 1915. Legislative action to assist cooperative associations and supplement their efforts was passed at the last session of Congress. Important credit measures were also provided by Congress in 1923 which have been of inestimable value to the cooperative associations. Although the Federal credit agencies have served agriculture well, I think it may be possible to broaden and strengthen the service of these institutions.

Attention is again directed to the surplus problem of agriculture by the present cotton situation. Surpluses often affect prices of various farm commodities in a disastrous manner, and the problem urgently demands a solution. Discussions both in and out of Congress during the past few years have given us a better understanding of the subject, and it is my hope that out of the various proposals made the basis will be found for a sound and effective solution upon which agreement can be reached. In my opinion cooperative marketing associations will be important aids to the ultimate solution of the problem. It may well be, however, that additional measures will be needed to supplement their efforts. I believe all will agree that such measures should not conflict with the best interests of the cooperatives, but rather assist and strengthen them. In working out this problem to any sound conclusion it is necessary to avoid putting the Government into the business of production or marketing or attempting to enact legislation for the purpose of price fixing. The farmer does not favor any attempted remedies that partake of these elements. He has a sincere and candid desire for assistance. If matched by an equally sincere and candid consideration of the different remedies proposed, a sound measure of relief ought to result. It is unfortunate that no general agreement has been reached by the various agricultural interests upon any of the proposed remedies. Out of the discussion of various proposals which can be had before the Committees of Agriculture some measure ought to be perfected which would be generally satisfactory.

Due to the emergency arising from a heavy tropical storm in southern Florida, I authorized the Secretary of Agriculture to use certain funds in anticipation of legislation to enable the farmers in that region to plant their crops. The department will present a bill ratifying the loans which were made for this purpose.

Federal legislation has been adopted authorizing the cooperation of the Government with States and private owners in the protection of forest lands from fire. This preventive measure is of such great importance that I have recommended for it an increased appropriation.

Another preventive measure of great economic and sanitary importance is the eradication of tuberculosis in cattle. Active work is now in progress in one-fourth of the counties of the United States to secure this result. Over 12,000,000 cattle have been under treatment, and the

average degree of infection has fallen from 4.9 per cent to 2.8 per cent. The Federal Government is making substantial expenditures for this purpose.

Serious damage is threatened to the corn crop by the European corn borer. Since 1917 it has spread from eastern New England westward into Indiana and now covers about 100,000 square miles. It is one of the most formidable pests because it spreads rapidly and is exceedingly difficult of control. It has assumed a menace that is of national magnitude and warrants the Federal Government in extending its cooperation to the State and local agencies which are attempting to prevent its further spread and secure its eradication.

The whole question of agriculture needs most careful consideration. In the past few years the Government has given this subject more attention than any other and has held more consultations in relation to it than on any other subject. While the Government is not to be blamed for failure to perform the impossible, the agricultural regions are entitled to know that they have its constant solicitude and sympathy. Many of the farmers are burdened with debts and taxes which they are unable to carry. We are expending in this country many millions of dollars each year to increase farm production. We ought now to put more emphasis on the question of farm marketing. If a sound solution of a permanent nature can be found for this problem, the Congress ought not to hesitate to adopt it.

DEVELOPMENT OF WATER RESOURCES

In previous messages I have referred to the national importance of the proper development of our water resources. The great projects of extension of the Mississippi system, the protection and development of the lower Colorado River, are before Congress, and I have previously commented upon them. I favor the necessary legislation to expedite these projects. Engineering studies are being made for connecting the Great Lakes with the North Atlantic, either through an all-American canal or by way of the St. Lawrence River. These reports will undoubtedly be before the Congress during its present session. It is unnecessary to dwell upon the great importance of such a waterway not only to our mid-continental basin but to the commerce and development of practically the whole Nation. Our river and harbor improvement should be continued in accordance with the present policy. Expenditure of this character is compatible with economy; it is in the nature of capital investment. Work should proceed on the basic trunk lines if this work is to be a success. If the country will be content to be moderate and patient and permit improvements to be made where they will do the greatest general good, rather than insisting on expenditures at this time on secondary projects, our internal waterways can be made a success. If pro-

posed legislation results in a gross manifestation of local jealousies and selfishness, this program can not be carried out. Ultimately we can take care of extensions, but our first effort should be confined to the main arteries.

Our inland commerce has been put to great inconvenience and expense by reason of the lowering of the water level of the Great Lakes. This is an international problem on which competent engineers are making reports. Out of their study it is expected that a feasible method will be developed for raising the level to provide relief for our commerce and supply water for drainage. Whenever a practical plan is presented it ought to be speedily adopted.

RECLAMATION

It is increasingly evident that the Federal Government must in the future take a leading part in the impounding of water for conservation with incidental power for the development of the irrigable lands of the arid region. The unused waters of the West are found mainly in large rivers. Works to store and distribute these have such magnitude and cost that they are not attractive to private enterprise. Water is the irreplaceable natural resource. Its precipitation can not be increased. Its storage on the higher reaches of streams, to meet growing needs, to be used repeatedly as it flows toward the seas, is a practical and prudent business policy.

The United States promises to follow the course of older irrigation countries, where recent important irrigation developments have been carried out as national undertakings. It is gratifying, therefore, that conditions on Federal reclamation projects have become satisfactory. The gross value of crops grown with water from project works increased from $110,000,000 in 1924 to $131,000,000 in 1925. The adjustments made last year by Congress relieved irrigators from paying construction costs on unprofitable land, and by so doing inspired new hope and confidence in ability to meet the payments required. Construction payments by water users last year were the largest in the history of the bureau.

The anticipated reclamation fund will be fully absorbed for a number of years in the completion of old projects and the construction of projects inaugurated in the past three years. We should, however, continue to investigate and study the possibilities of a carefully planned development of promising projects, logically of governmental concern because of their physical magnitude, immense cost, and the interstate and international problems involved. Only in this way may we be fully prepared to meet intelligently the needs of our fast-growing population in the years to come.

TRANSPORTATION

It would be difficult to conceive of any modern activity which contributes more to the necessities and conveniences of life than transportation. Without it our present agricultural production and practically all of our commerce would be completely prostrated. One of the large contributing causes to the present highly satisfactory state of our economic condition is the prompt and dependable service, surpassing all our previous records, rendered by the railroads. This power has been fostered by the spirit of cooperation between Federal and State regulatory commissions. To render this service more efficient and effective and to promote a more scientific regulation, the process of valuing railroad properties should be simplified and the primary valuations should be completed as rapidly as possible. The problem of rate reduction would be much simplified by a process of railroad consolidations. This principle has already been adopted as Federal law. Experience has shown that a more effective method must be provided. Studies have already been made and legislation introduced seeking to promote this end. It would be of great advantage if it could be taken up at once and speedily enacted. The railroad systems of the country and the convenience of all the people are waiting on this important decision.

MERCHANT MARINE

It is axiomatic that no agricultural and industrial country can get the full benefit of its own advantages without a merchant marine. We have been proceeding under the act of Congress that contemplates the establishment of trade routes to be ultimately transferred to private ownership and operation. Due to temporary conditions abroad and at home we have a large demand just now for certain types of freight vessels. Some suggestion has been made for new construction. I do not feel that we are yet warranted in entering that field. Such ships as we might build could not be sold after they are launched for anywhere near what they would cost. We have expended over $250,000,000 out of the public Treasury in recent years to make up the losses of operation, not counting depreciation or any cost whatever of our capital investment. The great need of our merchant marine is not for more ships but for more freight. Our merchants are altogether too indifferent about using American ships for the transportation of goods which they send abroad or bring home. Some of our vessels necessarily need repairs, which should be made. I do not believe that the operation of our fleet is as economical and efficient as it could be made if placed under a single responsible head, leaving the Shipping Board free to deal with general matters of policy and regulation.

RADIO LEGISLATION

The Department of Commerce has for some years urgently presented the necessity for further legislation in order to protect radio listeners from interference between broadcasting stations and to carry out other regulatory functions. Both branches of Congress at the last session passed enactments intended to effect such regulation, but the two bills yet remain to be brought into agreement and final passage.

Due to decisions of the courts, the authority of the department under the law of 1912 has broken down; many more stations have been operating than can be accommodated within the limited number of wave lengths available; further stations are in course of construction; many stations have departed from the scheme of allocation set down by the department, and the whole service of this most important public function has drifted into such chaos as seems likely, if not remedied, to destroy its great value. I most urgently recommend that this legislation should be speedily enacted.

I do not believe it is desirable to set up further independent agencies in the Government. Rather I believe it advisable to entrust the important functions of deciding who shall exercise the privilege of radio transmission and under what conditions, the assigning of wave lengths and determination of power, to a board to be assembled whenever action on such questions becomes necessary. There should be right of appeal to the courts from the decisions of such board. The administration of the decisions of the board and the other features of regulation and promotion of radio in the public interest, together with scientific research, should remain in the Department of Commerce. Such an arrangement makes for more expert, more efficient, and more economical administration than an independent agency or board, whose duties, after initial stages, require but little attention, in which administrative functions are confused with semijudicial functions and from which of necessity there must be greatly increased personnel and expenditure.

THE WAGE EARNER

The great body of our people are made up of wage earners. Several hundred thousands of them are on the pay rolls of the United States Government. Their condition very largely is fixed by legislation. We have recently provided increases in compensation under a method of reclassification and given them the advantage of a liberal retirement system as a support for their declining years. Most of them are under the merit system, which is a guaranty of their intelligence, and the efficiency of their service is a demonstration of their loyalty. The Federal Government should continue to set a good example for all other employers.

In the industries the condition of the wage earner has steadily improved. The 12-hour day is almost entirely unknown. Skilled labor is well compensated. But there are unfortunately a multitude of workers who have not yet come to share in the general prosperity of the Nation. Both the public authorities and private enterprise should be solicitous to advance the welfare of this class. The Federal Government has been seeking to secure this end through a protective tariff, through restrictive immigration, through requiring safety devices for the prevention of accidents, through the granting of workman's compensation, through civilian vocational rehabilitation and education, through employment information bureaus, and through such humanitarian relief as was provided in the maternity and infancy legislation. It is a satisfaction to report that a more general condition of contentment exists among wage earners and the country is more free from labor disputes than it has been for years. While restrictive immigration has been adopted in part for the benefit of the wage earner, and in its entirety for the benefit of the country, it ought not to cause a needless separation of families and dependents from their natural source of support contrary to the dictates of humanity.

BITUMINOUS COAL

No progress appears to have been made within large areas of the bituminous coal industry toward creation of voluntary machinery by which greater assurance can be given to the public of peaceful adjustment of wage difficulties such as has been accomplished in the anthracite industry. This bituminous industry is one of primary necessity and bears a great responsibility to the Nation for continuity of supplies. As the wage agreements in the unionized section of the industry expire on April 1 next, and as conflicts may result which may imperil public interest, and have for many years often called for action of the Executive in protection of the public, I again recommend the passage of such legislation as will assist the Executive in dealing with such emergencies through a special temporary board of conciliation and mediation and through administrative agencies for the purpose of distribution of coal and protection of the consumers of coal from profiteering. At present the Executive is not only without authority to act but is actually prohibited by law from making any expenditure to meet the emergency of a coal famine.

JUDICIARY

The Federal courts hold a high position in the administration of justice in the world. While individual judicial officers have sometimes been subjected to just criticism, the courts as a whole have maintained an exceedingly high standard. The Congress may well consider the question of supplying fair salaries and conferring upon the Supreme Court the same rule-making power on the law side of the district courts that

they have always possessed on the equity side. A bill is also pending providing for retirement after a certain number of years of service, although they have not been consecutive, which should have your favorable consideration. These faithful servants of the Government are about the last that remain to be provided for in the postwar readjustments.

BANKING

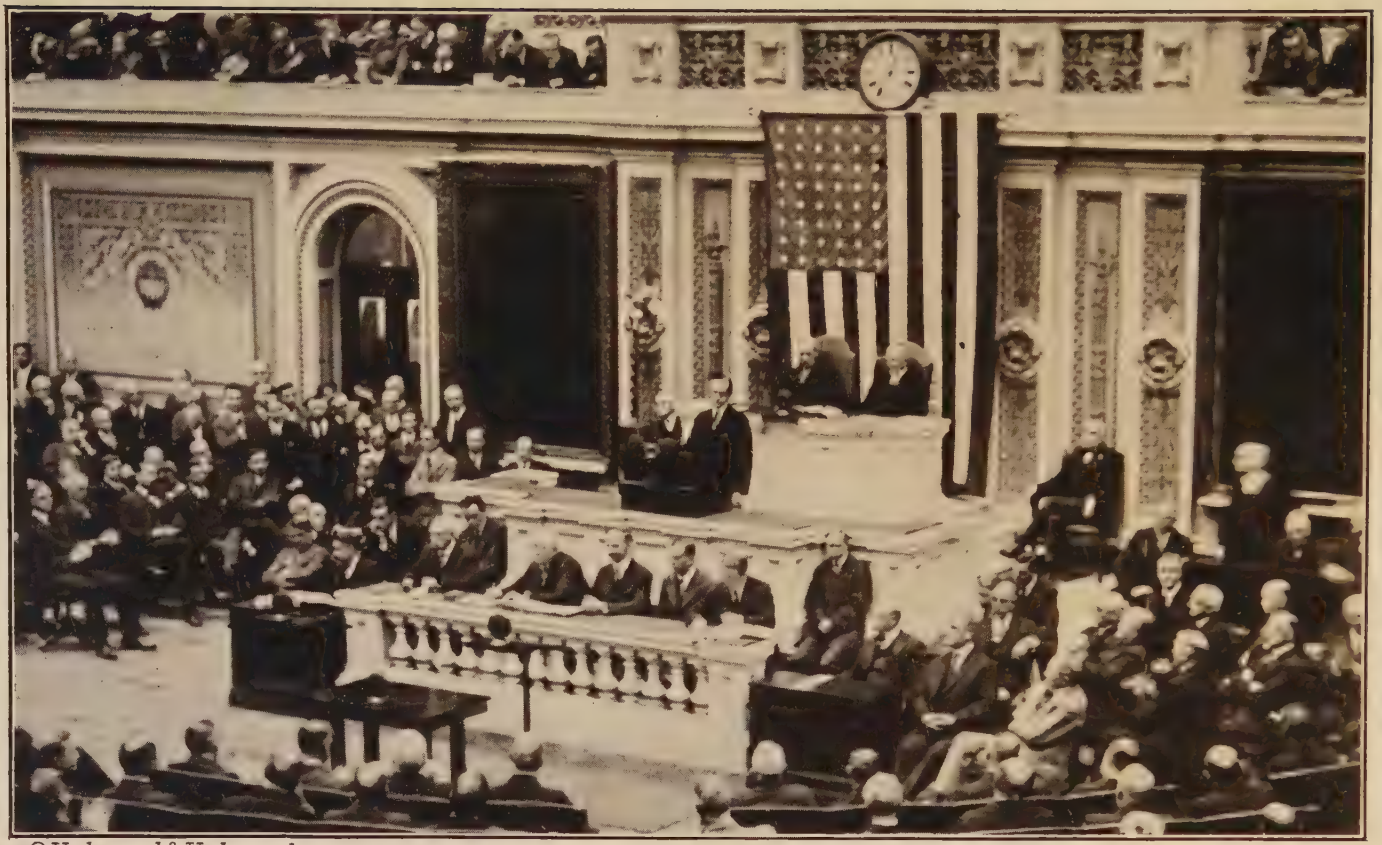
There has been pending in Congress for nearly three years banking legislation to clarify the national bank act and reasonably to increase the powers of the national banks. I believe that within the limitation of sound banking principles Congress should now and for the future place the national banks upon a fair equality with their competitors, the State banks, and I trust that means may be found so that the differences on branch-making legislation between the Senate and the House of Representatives may be settled along sound lines and the legislation promptly enacted.

It would be difficult to overestimate the service which the Federal reserve system has already rendered to the country. It is necessary only to recall the chaotic condition of our banking organization at the time the Federal reserve system was put into operation. The old system consisted of a vast number of independent banking units, with scattered bank reserves which never could be mobilized in times of greatest need. In spite of vast banking resources, there was no coordination of reserves or any credit elasticity. As a consequence, a strain was felt even during crop-moving periods and when it was necessary to meet other seasonal and regularly recurring needs.

The Federal reserve system is not a panacea for all economic or financial ills. It can not prevent depression in certain industries which are experiencing overexpansion of production or contraction of their markets. Its business is to furnish adequate credit and currency facilities. This it has succeeded in doing, both during the war and in the more difficult period of deflation and readjustment which followed. It enables us to look to the future with confidence and to make plans far ahead, based on the belief that the Federal reserve system will exercise a steadying influence on credit conditions and thereby prevent any sudden or severe reactions from the period of prosperity which we are now enjoying. In order that these plans may go forward, action should be taken at the present session on the question of renewing the banks' charters and thereby insuring a continuation of the policies and present usefulness of the Federal reserve system.

FEDERAL REGULATION

I am in favor of reducing, rather than expanding, Government bureaus which seek to regulate and control the business activities of the people.



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PRESIDENT COOLIDGE ADDRESSING CONGRESS

PRESIDENT COOLIDGE ADDRESSING CONGRESS

Calvin Coolidge continued the practise, originated by Washington and John Adams, discontinued by Jefferson, resurrected by Wilson and followed by Harding, of addressing the Senate and the House of Representatives in person. The illustration shows him delivering his first annual address to a joint session of the Senate and the House, meeting in the latter's chamber. Behind the President sit (right) Speaker Gillette, of the House, and President pro tem. of the Senate Cummins, the latter in the place where Coolidge, himself, had sat as Vice-President while his predecessor addressed Congress.

Everyone is aware that abuses exist and will exist so long as we are limited by human imperfections. Unfortunately, human nature can not be changed by an act of the legislature. When practically the sole remedy for many evils lies in the necessity of the people looking out for themselves and reforming their own abuses, they will find that they are relying on a false security if the Government assumes to hold out the promise that it is looking out for them and providing reforms for them. This principle is pre-eminently applicable to the National Government. It is too much assumed that because an abuse exists it is the business of the National Government to provide a remedy. The presumption should be that it is the business of local and State governments. Such national action results in encroaching upon the salutary independence of the States and by undertaking to supersede their natural authority fills the land with bureaus and departments which are undertaking to do what it is impossible for them to accomplish and brings our whole system of government into disrespect and disfavor. We ought to maintain high standards. We ought to punish wrongdoing. Society has not only the privilege but the absolute duty of protecting itself and its individuals. But we can not accomplish this end by adopting a wrong method. Permanent success lies in local, rather than national action. Unless the locality rises to its own requirements, there is an almost irresistible impulse for the National Government to intervene. The States and the Nation should both realize that such action is to be adopted only as a last resort.

THE NEGRO

The social well-being of our country requires our constant effort for the amelioration of race prejudice and the extension to all elements of equal opportunity and equal protection under the laws which are guaranteed by the Constitution. The Federal Government especially is charged with this obligation in behalf of the colored people of the Nation. Not only their remarkable progress, their devotion and their loyalty, but our duty to ourselves under our claim that we are an enlightened people requires us to use all our power to protect them from the crime of lynching. Although violence of this kind has very much decreased, while any of it remains we can not justify neglecting to make every effort to eradicate it by law.

The education of the colored race under Government encouragement is proceeding successfully and ought to have continuing support. An increasing need exists for properly educated and trained medical skill to be devoted to the service of this race.

INSULAR POSSESSIONS

This Government holds in sacred trusteeship islands which it has acquired in the East and West Indies. In all of them the people are

more prosperous than at any previous time. A system of good roads, education, and general development is in progress. The people are better governed than ever before and generally content.

In the Philippine Islands Maj. Gen. Leonard Wood has been Governor General for five years and has administered his office with tact and ability greatly to the success of the Filipino people. These are a proud and sensitive race, who are making such progress with our cooperation that we can view the results of this experiment with great satisfaction. As we are attempting to assist this race toward self-government, we should look upon their wishes with great respect, granting their requests immediately when they are right, yet maintaining a frank firmness in refusing when they are wrong. We shall measure their progress in no small part by their acceptance of the terms of the organic law under which the islands are governed and their faithful observance of its provisions. Need exists for clarifying the duties of the auditor and declaring them to be what everyone had supposed they were. We have placed our own expenditures under the supervision of the Comptroller General. It is not likely that the expenditures in the Philippine Islands need less supervision than our own. The Governor General is hampered in his selection of subordinates by the necessity of securing a confirmation, which has oftentimes driven him to the expediency of using Army officers in work for which civilian experts would be much better fitted. Means should be provided for this and such other purposes as he may require out of the revenue which this Government now turns back to the Philippine treasury.

In order that these possessions might suffer no seeming neglect, I have recently sent Col. Carmi A. Thompson to the islands to make a survey in cooperation with the Governor General to suggest what might be done to improve conditions. Later, I may make a more extended report including recommendations. The economic development of the islands is very important. They ought not to be turned back to the people until they are both politically fitted for self-government and economically independent. Large areas are adaptable to the production of rubber. No one contemplates any time in the future either under the present or a more independent form of government when we should not assume some responsibility for their defense. For their economic advantage, for the employment of their people, and as a contribution to our power of defense which could not be carried on without rubber, I believe this industry should be encouraged. It is especially adapted to the Filipino people themselves, who might cultivate it individually on a small acreage. It could be carried on extensively by American capital in a way to furnish employment at good wages. I am opposed to the promotion of any policy that does not provide for absolute freedom on the part of the wage earners and do not think we should undertake to give power for large

holdings of land in the islands against the opposition of the people of the locality. Any development of the islands must be solely with the first object of benefiting the people of the islands. At an early day, these possessions should be taken out from under all military control and administered entirely on the civil side of government.

NATIONAL DEFENSE

Our policy of national defense is not one of making war, but of insuring peace. The land and sea force of America, both in its domestic and foreign implications, is distinctly a peace force. It is an arm of the police power to guarantee order and the execution of the law at home and security to our citizens abroad. No self-respecting nation would neglect to provide an army and navy proportionate to its population, the extent of its territory, and the dignity of the place which it occupies in the world. When it is considered that no navy in the world, with one exception, approaches ours and none surpasses it, that our Regular Army of about 115,000 men is the equal of any other like number of troops, that our entire permanent and reserve land and sea force trained and training consists of a personnel of about 610,000, and that our annual appropriations are about $680,000,000 a year, expended under the direction of an exceedingly competent staff, it can not be said that our country is neglecting its national defense. It is true that a cult of disparagement exists, but that candid examination made by the Congress through its various committees has always reassured the country and demonstrated that it is maintaining the most adequate defensive forces in these present years that it has ever supported in time of peace.

This general policy should be kept in effect. Here and there temporary changes may be made in personnel to meet requirements in other directions. Attention should be given to submarines, cruisers, and air forces. Particular points may need strengthening, but as a whole our military power is sufficient.

The one weak place in the whole line is our still stupendous war debt. In any modern campaign the dollars are the shock troops. With a depleted treasury in the rear, no army can maintain itself in the field. A country loaded with debt is a country devoid of the first line of defense. Economy is the handmaid of preparedness. If we wish to be able to defend ourselves to the full extent of our power in the future, we shall discharge as soon as possible the financial burden of the last war. Otherwise we would face a crisis with a part of our capital resources already expended.

The amount and kind of our military equipment is preeminently a question for the decision of the Congress, after giving due consideration to the advice of military experts and the available public revenue. Nothing is more laudable than the cooperation of the agricultural and industrial resources of the country for the purpose of supplying the needs of

national defense. In time of peril the people employed in these interests volunteered in a most self-sacrificing way, often at the nominal charge of a dollar a year. But the Army and Navy are not supported for the benefit of supply concerns; supply concerns are supported for the benefit of the Army and Navy. The distribution of orders on what is needed from different concerns for the purpose of keeping up equipment and organization is perfectly justified, but any attempt to prevail upon the Government to purchase beyond its needs ought not to be tolerated. It is eminently fair that those who deal with the Government should do so at a reasonable profit. However, public money is expended not that some one may profit by it, but in order to serve a public purpose.

While our policy of national defense will proceed in order that we may be independent and self-sufficient, I am opposed to engaging in any attempt at competitive armaments. No matter how much or how little some other country may feel constrained to provide, we can well afford to set the example, not of being dictated to by others, but of adopting our own standards. We are strong enough to pursue that method, which will be a most wholesome model for the rest of the world. We are eminently peaceful, but we are by no means weak. While we submit our differences with others, not to the adjudication of force, but of reason, it is not because we are unable to defend our rights. While we are doing our best to eliminate all resort to war for the purpose of settling disputes, we can not but remember that the peace we now enjoy had to be won by the sword and that if the rights of our country are to be defended we can not rely for that purpose upon anyone but ourselves. We can not shirk the responsibility, which is the first requisite of all government, of preserving its own integrity and maintaining the rights of its own citizens. It is only in accordance with these principles that we can establish any lasting foundations for an honorable and permanent peace.

It is for these reasons that our country, like any other country, proposes to provide itself with an army and navy supported by a merchant marine. Yet these are not for competition with any other power. For years we have besought nations to disarm. We have recently expressed our willingness at Geneva to enter into treaties for the limitation of all types of warships according to the ratio adopted at the Washington Conference. This offer is still pending. While we are and shall continue to be armed it is not as a menace, but rather a common assurance of tranquillity to all the peace-loving people of the world. For us to do any less would be to disregard our obligations, evade our responsibilities, and jeopardize our national honor.

VETERANS

This country, not only because it is bound by honor but because of the satisfaction derived from it, has always lavished its bounty upon its

veterans. For years a service pension has been bestowed upon the Grand Army on reaching a certain age. Like provision has been made for the survivors of the Spanish War. A liberal future compensation has been granted to all the veterans of the World War. But it is in the case of the disabled and the dependents that the Government exhibits its greatest solicitude. This work is being well administered by the Veterans' Bureau. The main unfinished feature is that of hospitalization. This requirement is being rapidly met. Various veteran bodies will present to you recommendations which should have your careful consideration. At the last session we increased our annual expenditure for pensions and relief on account of the veterans of three wars. While I approve of proper relief for all suffering, I do not favor any further extension of our pension system at this time.

ALIEN PROPERTY

We still have in the possession of the Government the alien property. It has always been the policy of America to hold that private enemy property should not be confiscated in time of war. This principle we have scrupulously observed. As this property is security for the claims of our citizens and our Government, we can not relinquish it without adequate provision for their reimbursement. Legislation for the return of this property, accompanied by suitable provisions for the liquidation of the claims of our citizens and our Treasury, should be adopted. If our Government releases to foreigners the security which it holds for Americans, it must at the same time provide satisfactory safeguards for meeting American claims.

PROHIBITION

The duly authorized public authorities of this country have made prohibition the law of the land. Acting under the Constitution, the Congress and the legislatures of practically all the States have adopted legislation for its enforcement. Some abuses have arisen which require reform. Under the law the National Government has entrusted to the Treasury Department the especial duty of regulation and enforcement. Such supplementary legislation as it requires to meet existing conditions should be carefully and speedily enacted. Failure to support the Constitution and observe the law ought not to be tolerated by public opinion. Especially those in public places, who have taken their oath to support the Constitution, ought to be most scrupulous in its observance. Officers of the Department of Justice throughout the country should be vigilant in enforcing the law, but local authorities, which had always been mainly responsible for the enforcement of law in relation to intoxicating liquor, ought not to seek evasion by attempting to shift the burden wholly upon the Federal agencies. Under the Constitution the States are jointly

charged with the Nation in providing for the enforcement of the prohibition amendment. Some people do not like the amendment, some do not like other parts of the Constitution, some do not like any of it. Those who entertain such sentiments have a perfect right to seek through legal methods for a change. But for any of our inhabitants to observe such parts of the Constitution as they like, while disregarding others, is a doctrine that would break down all protection of life and property and destroy the American system of ordered liberty.

FOREIGN RELATIONS

The foreign policy of this Government is well known. It is one of peace based on that mutual respect that arises from mutual regard for international rights and the discharge of international obligations. It is our purpose to promote understanding and good will between ourselves and all other people. The American people are altogether lacking in an appreciation of the tremendous good fortune that surrounds their international position. We have no traditional enemies. We are not embarrassed over any disputed territory. We have no possessions that are coveted by others; they have none that are coveted by us. Our borders are unfortified. We fear no one; no one fears us. All the world knows that the whole extent of our influence is against war and in favor of peace, against the use of force and in favor of negotiation, arbitration, and adjudication as a method of adjusting international differences. We look with disfavor upon all aggressive warfare. We are strong enough so that no one can charge us with weakness if we are slow to anger. Our place is sufficiently established so that we need not be sensitive over trifles. Our resources are large enough so that we can afford to be generous. At the same time we are a nation among nations and recognize a responsibility not only to ourselves, but in the interests of a stable and enlightened civilization, to protect and defend the international rights of our Government and our citizens.

It is because of our historical detachment and the generations of comparative indifference toward us by other nations that our public is inclined to consider altogether too seriously the reports that we are criticized abroad. We never had a larger foreign trade than at the present time. Our good offices were never more sought and the necessity for our assistance and cooperation was never more universally declared in any time of peace. We know that the sentiments which we entertain toward all other nations are those of the most sincere friendship and good will and of an unbounded desire to help, which we are perfectly willing to have judged by their fruits. In our efforts to adjust our international obligations we have met with a response which, when everything is considered, I believe history will record as a most remarkable and gratifying demonstration of the sanctity with which civilized nations undertake to

discharge their mutual obligations. Debt settlements have been negotiated with practically all of those who owed us and all finally adjusted but two, which are in process of ratification. When we consider the real sacrifice that will be necessary on the part of other nations, considering all their circumstances, to meet their agreed payments, we ought to hold them in increased admiration and respect. It is true that we have extended to them very generous treatment, but it is also true that they have agreed to repay us all that we loaned to them and some interest.

A special conference on the Chinese customs tariff provided for by the treaty between the nine powers relating to the Chinese customs tariff signed at Washington on February 6, 1922, was called by the Chinese Government to meet at Peking on October 26, 1925. We participated in this conference through fully empowered delegates and, with good will, endeavored to cooperate with the other participating powers with a view to putting into effect promises made to China at the Washington conference, and considering any reasonable proposal that might be made by the Chinese Government for the revision of the treaties on the subject of China's tariff. With these aims in view the American delegation at the outset of the conference proposed to put into effect the surtaxes provided for by the Washington treaty and to proceed immediately to the negotiation of a treaty, which, among other things, was to make provision for the abolition of taxes collected on goods in transit, remove the tariff restrictions in existing treaties, and put into effect the national tariff law of China.

Early in April of the present year the central Chinese Government was ousted from power by opposing warring factions. It became impossible under the circumstances to continue the negotiations. Finally, on July 3, the delegates of the foreign powers, including those of the United States, issued a statement expressing their unanimous and earnest desire to proceed with the work of the conference at the earliest possible moment when the delegates of the Chinese Government are in a position to resume discussions with the foreign delegates of the problems before the conference. We are prepared to resume the negotiations thus interrupted whenever a Government representing the Chinese people and acting on their behalf presents itself. The fact that constant warfare between contending Chinese factions has rendered it impossible to bring these negotiations to a successful conclusion is a matter of deep regret. Throughout these conflicts we have maintained a position of the most careful neutrality. Our naval vessels in Asiatic waters, pursuant to treaty rights, have been used only for the protection of American citizens.

Silas H. Strawn, Esq., was sent to China as American commissioner to cooperate with commissioners of the other powers in the establishment of a commission to inquire into the present practice of extraterritorial jurisdiction in China, with a view to reporting to the Governments

of the several powers their findings of fact in regard to these matters. The commission commenced its work in January, 1926, and agreed upon a joint report which was signed on September 16, 1926. The commission's report has been received and is being studied with a view to determining our future policy in regard to the question of extraterritorial privileges under treaties between the United States and China.

The Preparatory Commission for the Disarmament Conference met at Geneva on May 18 and its work has been proceeding almost continuously since that date. It would be premature to attempt to form a judgment as to the progress that has been made. The commission has had before it a comprehensive list of questions touching upon all aspects of the question of the limitation of armament. In the commission's discussions many differences of opinion have developed. However, I am hopeful that at least some measure of agreement will be reached as the discussions continue. The American representation on the commission has consistently tried to be helpful, and has kept before it the practical objective to which the commission is working, namely, actual agreements for the limitation of armaments. Our representatives will continue their work in that direction.

One of the most encouraging features of the commission's work thus far has been the agreement in principle among the naval experts of a majority of the powers parties to the Washington treaty limiting naval armament upon methods and standards for the comparison and further limitation of naval armament. It is needless to say that at the proper time I shall be prepared to proceed along practical lines to the conclusion of agreements carrying further the work begun at the Washington Conference in 1921.

DEPARTMENT REPORTS

Many important subjects which it is impossible even to mention in the short space of an annual message you will find fully discussed in the departmental reports. A failure to include them here is not to be taken as indicating any lack of interest, but only a disinclination to state inadequately what has been much better done in other documents.

THE CAPITAL CITY

We are embarking on an ambitious building program for the city of Washington. The Memorial Bridge is under way with all that it holds for use and beauty. New buildings are soon contemplated. This program should represent the best that exists in the art and science of architecture. Into these structures which must be considered as of a permanent nature ought to go the aspirations of the Nation, its ideals expressed in forms of beauty. If our country wishes to compete with others, let it not be in the support of armaments but in the making of a beautiful

capital city. Let it express the soul of America. Whenever an American is at the seat of his Government, however traveled and cultured he may be, he ought to find a city of stately proportion, symmetrically laid out and adorned with the best that there is in architecture, which would arouse his imagination and stir his patriotic pride. In the coming years Washington should be not only the art center of our own country but the art center of the world. Around it should center all that is best in science, in learning, in letters, and in art. These are the results that justify the creation of those national resources with which we have been favored.

AMERICAN IDEALS

America is not and must not be a country without ideals. They are useless if they are only visionary; they are only valuable if they are practical. A nation can not dwell constantly on the mountain tops. It has to be replenished and sustained through the ceaseless toil of the less inspiring valleys. But its face ought always to be turned upward, its vision ought always to be fixed on high.

We need ideals that can be followed in daily life, that can be translated into terms of the home. We can not expect to be relieved from toil, but we do expect to divest it of degrading conditions. Work is honorable; it is entitled to an honorable recompense. We must strive mightily, but having striven there is a defect in our political and social system if we are not in general rewarded with success. To relieve the land of the burdens that came from the war, to release to the individual more of the fruits of his own industry, to increase his earning capacity and decrease his hours of labor, to enlarge the circle of his vision through good roads and better transportation, to place before him the opportunity for education both in science and in art, to leave him free to receive the inspiration of religion, all these are ideals which deliver him from the servitude of the body and exalt him to the service of the soul. Through this emancipation from the things that are material, we broaden our dominion over the things that are spiritual. CALVIN COOLIDGE.

MESSAGE TO CONGRESS

[Difficulties with Nicaragua and Mexico.]

THE WHITE HOUSE, *January 10, 1927.*

To the Congress of the United States:

While conditions in Nicaragua and the action of this Government pertaining thereto have in general been made public, I think the time has arrived for me officially to inform the Congress more in detail of the events leading up to the present disturbances and conditions which

seriously threaten American lives and property, endanger the stability of all Central America, and put in jeopardy the rights granted by Nicaragua to the United States for the construction of a canal. It is well known that in 1912 the United States intervened in Nicaragua with a large force and put down a revolution, and that from that time to 1925 a legation guard of American marines was, with the consent of the Nicaraguan Government, kept in Managua to protect American lives and property. In 1923 representatives of the five Central American countries, namely, Costa Rica, Guatemala, Honduras, Nicaragua, and Salvador, at the invitation of the United States, met in Washington and entered into a series of treaties. These treaties dealt with limitation of armament, a Central American tribunal for arbitration, and the general subject of peace and amity. The treaty last referred to specifically provides in Article II that the Governments of the contracting parties will not recognize any other government which may come into power in any of the five Republics through a coup d'etat or revolution and disqualifies the leaders of such coup d'état or revolution from assuming the presidency or vice presidency. Article II is as follows:

> Desiring to make secure in the republics of Central America the benefits which are derived from the maintenance of free institutions and to contribute at the same time toward strengthening their stability, and the prestige with which they should be surrounded, they declare that every act, disposition or measure which alters the constitutional organization in any of them is to be deemed a menace to the peace of said republics, whether it proceed from any public power or from the private citizens.
>
> Consequently, the Governments of the contracting parties will not recognize any other Government which may come into power in any of the five republics through a coup d'etat or a revolution against a recognized Government, so long as the freely elected representatives of the people thereof have not constitutionally reorganized the country. And even in such a case they obligate themselves not to acknowledge the recognition if any of the persons elected as President, Vice-President or Chief of State Designate should fall under any of the following heads:
>
> (1) If he should be the leader or one of the leaders of a coup d'etat or revolution, or through blood relationship or marriage, be an ascendent or descendent or brother of such leader or leaders.
>
> (2) If he should have been a Secretary of State or should have held some high military command during the accomplishment of the coup d'etat, the revolution, or while the election was being carried on, or if he should have held this office, or command within the six months preceding the coup d'etat, revolution, or the election.
>
> Furthermore, in no case shall recognition be accorded to a government which arises from election to power of a citizen expressly and unquestionably disqualified by the Constitution of his country as eligible to election as President, Vice-President or Chief of State Designate.

The United States was not a party to this treaty, but it was made in Washington under the auspices of the Secretary of State, and this Government has felt a moral obligation to apply its principles in order

to encourage the Central American States in their efforts to prevent revolution and disorder. The treaty, it may be noted in passing, was signed on behalf of Nicaragua by Emiliano Chamorro himself, who afterwards assumed the presidency in violation thereof and thereby contributed to the creation of the present difficulty.

In October, 1924, an election was held in Nicaragua for President, Vice President, and members of the Congress. This resulted in the election of a coalition ticket embracing Conservatives and Liberals. Carlos Solorzano, a Conservative Republican, was elected President and Juan B. Sacasa, a Liberal, was elected Vice President. This Government was recognized by the other Central American countries and by the United States. It had been the intention of the United States to withdraw the marines immediately after this election, and notice was given of the intention to withdraw them in January, 1925. At the request of the President of Nicaragua this time was extended to September 1, 1925. Pursuant to this determination and notice, the marines were withdrawn in August, 1925, and it appeared at that time as though tranquillity in Nicaragua was assured. Within two months, however, further disturbances broke out between the supporters of General Chamorro and the supporters of the President, culminating in the seizure of the Loma, a fortress dominating the city of Managua. Once in possession of the Loma, General Chamorro dictated an agreement which President Solorzano signed the next day. According to the terms of this agreement the President agreed to substitute supporters of General Chamorro for certain members of his cabinet, to pay General Chamorro $10,000 for the expenses of the uprising, and to grant amnesty to all those who participated in it. Vice President Sacasa thereupon left the country. In the meantime General Chamorro, who, while he had not actually taken over the office of President, was able to dictate his will to the actual Executive, brought about the expulsion from the Congress of 18 members, on the ground that their election had been fraudulent, and caused to be put in their places candidates who had been defeated at the election of 1924. Having thus gained the control of Congress, he caused himself to be appointed by the Congress as designate on January 16, 1926. On January 16, 1926, Solorzano resigned as President and immediately General Chamorro took office. The four Central American countries and the United States refused to recognize him as President. On January 22 the Secretary of State addressed to the Nicaraguan representative in Washington the following letter:

DEAR DOCTOR CASTRILLO:

In your communication of the 19th instant addressed to the Secretary of State you advise that President Solorzano having resigned his office General Emiliano Chamorro took charge of the executive power on January 17.

The hope expressed in your letter that the relations which have been close and cordial for so many years between Nicaragua and the United States will continue and grow stronger has been noted with pleasure. The Government and people of the United States have feelings of sincerest friendship for Nicaragua and the people of Nicaragua and the Government of the United States will of course continue to maintain the most friendly relations with the people of Nicaragua. The Government has felt privileged to be able to be of assistance in the past at their request not only to Nicaragua but to all countries of Central America more especially during the Conference on Central American Affairs which resulted in the signing of a general treaty of peace and amity on February 7, 1923, between the five republics of Central America. The object of the Central American countries, with which the United States was heartily in accord, was to promote constitutional government and orderly procedure in Ceneral America and those Governments agreed upon a joint course of action with regard to the nonrecognition of governments coming into office through coup d'etat or revolution. The United States has adopted the principles of that treaty as its policy in the future recognition of Central American Governments as it feels that by so doing it can best show its friendly disposition towards and its desire to be helpful to the Republics of Central America.

It is therefore with regret that I have to inform you that the Government of the United States has not recognized and will not recognize as the Government of Nicaragua the regime now headed by General Chamorro, as the latter was duly advised on several occasions by the American Minister after General Chamorro had taken charge of the citadel at Managua on October 25th last. This action is, I am happy to learn, in accord with that taken by all the Governments that signed with Nicaragua the Treaty of 1923.

Nothwithstanding the refusal of this Government and of the other Central American Governments to recognize him, General Chamorro continued to exercise the functions of President until October 30, 1926. In the meantime, a revolution broke out in May on the east coast in the neighborhood of Bluefields and was speedily suppressed by the troops of General Chamorro. However, it again broke out with considerably more violence. The second attempt was attended with some success and practically all of the east coast of Nicaragua fell into the hands of the revolutionists. Throughout these events Sacasa was at no time in the country, having remained in Mexico and Guatemala during this period.

Repeated requests were made of the United States for protection, especially on the east coast, and, on August 24, 1926, the Secretary of State addressed to the Secretary of the Navy the following communication:

I have the honor to suggest that war vessels of the Special Service Squadron proceed as soon as possible to the Nicaraguan ports of Corinto and Bluefields for the protection of American and foreign lives and property in case that threatened emergencies materialize. The American chargé d'affaires at Managua has informed the Department that he considers the presence of war vessels at these ports desirable, and the American Consul at Bluefields has reported that a warship is urgently

needed to protect life and property at that port. An attack on The Bluff and Bluefields is expected momentarily.

Accordingly, the Navy Department ordered Admiral Latimer, in command of the special service squadron, to proceed to Bluefields. Upon arriving there he found it necessary for the adequate protection of American lives and property to declare Bluefields a neutral zone. This was done with the consent of both factions, afterwards, on October 26, 1926, reduced to a written agreement, which is still in force. In October, 1926, the good offices of the United States were sought by both parties for the purpose of effecting a settlement of the conflict. Admiral Latimer, commanding the special service squadron, brought about an armistice to permit of a conference being held between the delegates of the two factions. The armistice was originally for 15 days and was later extended for 15 days more. At the request of both parties, marines were landed at Corinto to establish a neutral zone in which the conference could be held. Doctor Sacasa was invited to attend this conference but refrained from doing so and remained in Guatemala City. The United States Government did not participate in the conference except to provide a neutral chairman; it simply offered its good offices to make the conference possible and arranged a neutral zone at Corinto at the request of both parties during the time the conference was held. I understand that at this conference General Chamorro offered to resign and permit the Congress to elect a new designate to assume the presidency. The conference led to no result, since just at the time when it seemed as though some compromise agreement would be reached the representatives of Doctor Sacasa suddenly broke off negotiations.

According to our reports, the Sacasa delegates on this occasion stated freely that to accept any government other than one presided over by Doctor Sacasa himself would be a breach of faith with their Mexican allies. Hostilities were resumed on October 30, 1926. On the same date General Chamorro formally turned over the executive power to Sebastian Uriza, who had been appointed designate by the Congress controlled by General Chamorro. The United States Government refused to recognize Señor Uriza, on the ground that his assumption of the Presidency had no constitutional basis. Uriza thereupon convoked Congress in extraordinary session, and the entire 18 members who had been expelled during the Chamorro régime were notified to resume their seats. The Congress which met in extraordinary session on November 10 had, therefore, substantially the same membership as when first convened following the election of 1924. This Congress, whose acts may be considered as constitutional, designated Señor Adolfo Diaz as first designate. At this session of Congress 53 members were present out of a total membership of 67, of whom 44

voted for Diaz and 2 for Solorzano. The balance abstained from voting. On November 11 Señor Uriza turned over the executive power to Diaz, who was inaugurated on the 14th.

The Nicaraguan constitution provides in article 106 that in the absence of the President and Vice President the Congress shall designate one of its members to complete the unexpired term of President. As President Solorzano had resigned and was then residing in California, and as the Vice President, Doctor Sacasa, was in Guatemala, having been out of the country since November, 1925, the action of Congress in designating Señor Diaz was perfectly legal and in accordance with the constitution. Therefore the United States Government on November 17 extended recognition to Señor Diaz.

Following his assumption of office, President Diaz, in the following note, dated November 15, 1926, requested the assistance of the United States Government to protect American and foreign lives and property:

> Upon assuming the presidency I found the republic in a very difficult situation because of the attitude, assumed without motive by the Government of Mexico, in open hostility to Nicaragua. It must be clear to you that, given the forces which that Government disposes of, its elements of attack are irresistible for this feeble and small nation. This condition places in imminent risk the sovereignty and independence of Nicaragua, and consequently, the continental equilibrium on which the Pan-Americanism is founded which the United States has fostered with such lofty spirit.
>
> Naturally the emergency resulting from these conditions places in peril the interests of American citizens and other foreigners residing in our territory and renders it impossible for a Government so rudely attacked, to protect them as is its duty and as it desires.
>
> For these reasons and appreciating the friendly disposition of the United States toward weak republics and the intentions which your Government has always manifested for the protection of the sovereignty and independence of all the countries of America by morally supporting legitimate Governments in order to enable them afford a tranquil field of labor for foreigners which is needed for the stimulation of the growth of the prosperity of these countries, I address myself to you in order that, with the same good will with which you have aided in Nicaraguan reconciliation, you may solicit for my Government and in my name the support of the Department of State in order to reach a solution in the present crisis and avoid further hostilities and invasions on the part of the Government of Mexico.
>
> I desire to manifest to you at the same time that whatever may be the means chosen by the Department of State, they will meet with the approval of my absolute confidence in the high spirit of justice of the Government of the United States.

Immediately following the inauguration of President Diaz and frequently since that date he has appealed to the United States for support, has informed this Government of the aid which Mexico is giving to the revolutionists, and has stated that he is unable solely because of the aid given by Mexico to the revolutionists to protect the lives and

property of American citizens and other foreigners. When negotiations leading up to the Corinto conference began, I immediately placed an embargo on the shipment of arms and ammunition to Nicaragua. The Department of State notified the other Central American States, to wit, Costa Rica, Honduras, Salvador, and Guatemala, and they assured the department that they would cooperate in this measure. So far as known, they have done so. The State Department also notified the Mexican Government of this embargo and informally suggested to that Government like action. The Mexican Government did not adopt the suggestion to put on an embargo, but informed the American ambassador at Mexico City that in the absence of manufacturing plants in Mexico for the making of arms and ammunition the matter had little practical importance.

As a matter of fact, I have the most conclusive evidence that arms and munitions in large quantities have been on several occasions since August, 1926, shipped to the revolutionists in Nicaragua. Boats carrying these munitions have been fitted out in Mexican ports, and some of the munitions bear evidence of having belonged to the Mexican Government. It also appeared that the ships were fitted out with the full knowledge of and, in many cases, with the encouragement of Mexican officials and were in one instance, at least, commanded by a Mexican naval reserve officer. At the end of November, after spending some time in Mexico City, Doctor Sacasa went back to Nicaragua, landing at Puerto Cabezas, near Bragmans Bluff. He immediately placed himself at the head of the insurrection and declared himself President of Nicaragua. He has never been recognized by any of the Central American Republics nor by any other Government, with the exception of Mexico, which recognized him immediately. As arms and munitions in large quantities were reaching the revolutionists, I deemed it unfair to prevent the recognized Government from purchasing arms abroad, and, accordingly, the Secretary of State has notified the Diaz Government that licenses would be issued for the export of arms and munitions purchased in this country. It would be thoroughly inconsistent for this country not to support the Government recognized by it while the revolutionists were receiving arms and munitions from abroad.

During the last two months the Government of the United States has received repeated requests from various American citizens, both directly and through our consuls and legation, for the protection of their lives and property. The Government of the United States has also received requests from the British chargé at Managua and from the Italian ambassador at Washington for the protection of their respective nationals. Pursuant to such requests, Admiral Latimer, in charge of the special service squadron, has not only maintained the

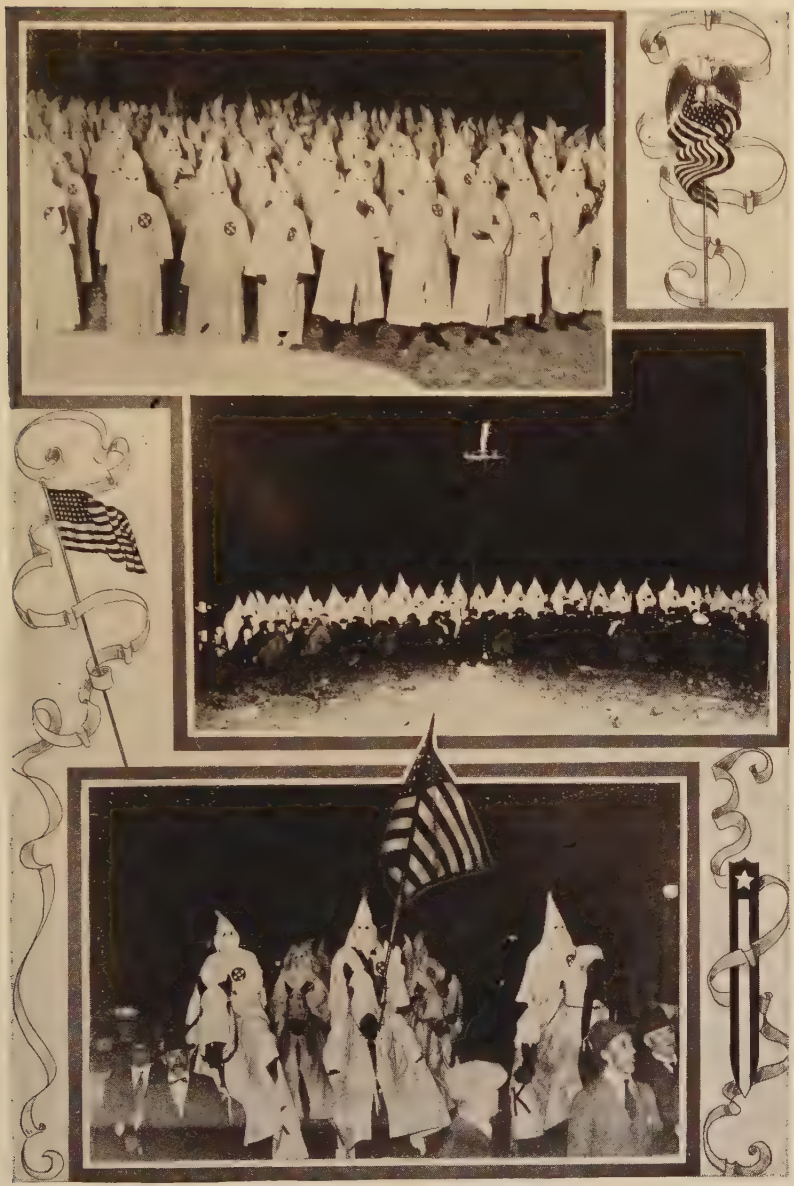
neutral zone at Bluefields under the agreement of both parties but has landed forces at Puerto Cabezas and Rio Grande, and established neutral zones at these points where considerable numbers of Americans live and are engaged in carrying on various industries. He has also been authorized to establish such other neutral zones as are necessary for the purposes above mentioned.

For many years numerous Americans have been living in Nicaragua developing its industries and carrying on business. At the present time there are large investments in lumbering, mining, coffee growing, banana culture, shipping, and also in general mercantile and other collateral business. All these people and these industries have been encouraged by the Nicaraguan Government. That Government has at all times owed them protection, but the United States has occasionally been obliged to send naval forces for their proper protection. In the present crisis such forces are requested by the Nicaraguan Government, which protests to the United States its inability to protect these interests and states that any measures which the United States deems appropriate for their protection will be satisfactory to the Nicaraguan Government.

In addition to these industries now in existence, the Government of Nicaragua, by a treaty entered into on the 5th day of August, 1914, granted in perpetuity to the United States the exclusive proprietary rights necessary and convenient for the construction, operation, and maintenance of an oceanic canal. Articles I and II of said treaty are as follows:

Article I. The Government of Nicaragua grants in perpetuity to the Government of the United States, forever free from all taxation or other public charge, the exclusive proprietary rights necessary and convenient for the construction, operation and maintenance of an interoceanic canal by way of the San Juan River and the great Lake of Nicaragua or by way of any route over Nicaraguan territory, the details of the terms upon which such canal shall be constructed, operated and maintained to be agreed to by the two governments whenever the Government of the United States shall notify the Government of Nicaragua of its desire or intention to construct such canal.

Article II. To enable the Government of the United States to protect the Panama Canal and the proprietary rights granted to the Government of the United States by the foregoing article, and also to enable the Government of the United States to take any measure necessary to the ends contemplated herein, the Government of Nicaragua hereby leases for a term of ninety-nine years to the Government of the United States the islands in the Caribbean Sea known as Great Corn Island and Little Corn Island; and the Government of Nicaragua further grants to the Government of the United States for a like period of ninety-nine years the right to establish, operate and maintain a naval base at such place on the territory of Nicaragua bordering upon the Gulf of Fonseca as the Government of the United States may select. The Government of the United States shall have the option of renewing for a further term of ninety-nine years the above leases and grants upon the expiration of their respective terms, it being expressly



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THE KU KLUX KLAN

THE KU KLUX KLAN

Whatever may be thought of the purposes and practises of the Ku Klux Klan, there can be no denying that its resurrection and rapid growth after the close of the World War was one of the most significant symptoms of the times. It was defended as stoutly as it was attacked and in very many sections of the country became the dominant factor in those sections' political and social activities. Indeed, during its period of growth, there were few topics of conversation discussed more avidly than the Klan. The Government's action against the Ku Klux Klan after the Civil War is shown on pages 4086 to 4093, 4104, 4117.

The upper panel on the preceding page shows a gathering of Klansmen preceding their parade in a town in Florida. The middle panel shows new members being sworn into the Klan, under the Klan's emblem of the flaming cross, on the top of historic South Mountain, near Brunswick, Maryland. The lower panel shows the head of a parade of Klansmen in Tulsa, Oklahoma.

agreed that the territory hereby leased and the naval base which may be maintained under the grant aforesaid shall be subject exclusively to the laws and sovereign authority of the United States during the terms of such lease and grant and of any renewal or renewals thereof.

The consideration paid by the United States to Nicaragua was the sum of $3,000,000. At the time of the payment of this money a financial plan was drawn up between the Nicaraguan Government and its creditors which provided for the consolidation of Nicaragua's obligations. At that time the bondholders holding the Nicaraguan external debt consented to a reduction in interest from 6 to 5 per cent, providing the service of this loan was handled through the American collector of customs, and at the same time a series of internal guaranteed customs bonds amounting to $3,744,000 was issued by the Nicaraguan Government to pay off the claims which had arisen against it because of revolutionary disturbances from 1909 to 1912. The other outstanding external bonds, amounting on February 1, 1926, to about £772,000, are held in Great Britain. Of the guaranteed customs bonds, $2,867,000 were on February 1, 1926, still in circulation, and of these about $1,000,000 were held by Nicaraguans, $1,000,000 by American citizens, and the balance by nationals of other countries. The bonds held in the United States are held by the public in general circulation and, so far as the department knows, no American bankers are directly interested in the Nicaraguan indebtedness. This financial plan was adopted by an act of the Congress of Nicaragua on August 31, 1917. The National Bank of Nicaragua was made the depository of all Government revenues. The internal revenues were, as heretofore, to be collected by the Government. Collection of the internal revenue, however, was to be taken over by the collector general of customs, an American citizen appointed by the Nicaraguan Government and approved by the Secretary of State of the United States, if the product should average less than $60,000 a month for three consecutive months. This has never yet been necessary. The proceeds of the customs revenues were to be applied, first, to the payment of such sums as might be agreed upon in the contemplated contracts for the service of the foreign loan, the internal loan, and claims against the Nicaraguan Government. From the balance of the revenue $80,000 a month was to be used for the ordinary budget expenses and an additional $15,000 for extraordinary expenses.

Under this financial plan the finances of Nicaragua have been rehabilitated in a very satisfactory manner. Of the $3,744,000 of internal customs bonds issued in 1917 about $900,000 have been paid. Of the external debt, bonds issued in 1909 amounting to £1,250,000, there now remain only about £770,000. The total public debt of Nicaragua has been reduced from about $22,000,000 in 1917 to

$6,625,203 at the beginning of 1926. Furthermore, the country in time of peace has ample revenues for its ordinary budget expenses and a surplus which has been used in extensive public improvements. The Nicaragua National Bank and the National Railroad, controlling interests in which were formerly owned by American bankers, were repurchased by the Nicaraguan Government in 1920 and 1924, and are now wholly owned by that Government.

There is no question that if the revolution continues American investments and business interests in Nicaragua will be very seriously affected, if not destroyed. The currency, which is now at par, will be inflated. American as well as foreign bondholders will undoubtedly look to the United States for the protection of their interests.

It is true that the United States did not establish the financial plan by any treaty, but it nevertheless did aid through diplomatic channels and advise in the negotiation and establishment of this plan for the financial rehabilitation of Nicaragua.

Manifestly the relation of this Government to the Nicaraguan situation, and its policy in the existing emergency, are determined by the facts which I have described. The proprietary rights of the United States in the Nicaraguan canal route, with the necessary implications growing out of it affecting the Panama Canal, together with the obligations flowing from the investments of all classes of our citizens in Nicaragua, place us in a position of peculiar responsibility. I am sure it is not the desire of the United States to intervene in the internal affairs of Nicaragua or of any other Central American republic. Nevertheless it must be said that we have a very definite and special interest in the maintenance of order and good government in Nicaragua at the present time, and that the stability, prosperity, and independence of all Central American countries can never be a matter of indifference to us. The United States can not, therefore, fail to view with deep concern any serious threat to stability and constitutional government in Nicaragua tending toward anarchy and jeopardizing American interests, especially if such state of affairs is contributed to or brought about by outside influences or by any foreign power. It has always been and remains the policy of the United States in such circumstances to take the steps that may be necessary for the preservation and protection of the lives, the property, and the interests of its citizens and of this Government itself. In this respect I propose to follow the path of my predecessors.

Consequently, I have deemed it my duty to use the powers committed to me to insure the adequate protection of all American interests in Nicaragua, whether they be endangered by internal strife or by outside interference in the affairs of that republic.

CALVIN COOLIDGE.

SPECIAL MESSAGE TO CONGRESS

[Naval Armament Limitation Negotiations.]

THE WHITE HOUSE, *February 10, 1927.*

To the Congress of the United States:

Pursuant to my instructions the American ambassadors at London, Paris, Rome, and Tokyo will to-day present to the Governments of Great Britain, France, Italy, and Japan a memorandum suggesting that they empower their delegates at the forthcoming meeting of the Preparatory Commission for the Disarmament Conference at Geneva to negotiate and conclude at an early date an agreement further limiting naval armament, supplementing the Washington Treaty on that subject, and covering the classes of vessels not covered by that treaty. I transmit herewith, for the information of the Congress, a copy of this memorandum.

I wish to inform the Congress of the considerations which have moved me to take this action.

The support of all measures looking to the preservation of the peace of the world has been long established as a fundamental policy of this Government. The American Government and people are convinced that competitive armaments constitute one of the most dangerous contributing causes of international suspicion and discord and are calculated eventually to lead to war. A recognition of this fact and a desire as far as possible to remove this danger led the American Government in 1921 to call the Washington Conference.

At that time we were engaged in a great building program which, upon its completion, would have given us first place on the sea. We felt then, however, and feel now, that the policy we then advocated—that of deliberate self-denial and limitation of naval armament by the great naval powers—promised the attainment of at least one guarantee of peace, an end worthy of mutual adjustment and concession.

At the Washington Conference we found the other nations animated with the same desire as ourselves to remove naval competition from the list of possible causes of international discord. Unfortunately, however, it was not possible to reach agreements at Washington covering all classes of naval ships. The Washington Treaty provided a specific tonnage limitation upon capital ships and aircraft carriers, with certain restrictions as to size and maximum caliber of guns for other vessels. Every nation has been at complete liberty to build any number of cruisers, destroyers, and submarines. Only size and armament of cruisers were limited. The signatories of the Washington Treaty have fulfilled their obligations faithfully and there can be no doubt that the treaty constitutes an outstanding success in its operation.

It has been the hope of the American Government, constantly expressed by the Congress since the Washington Conference, that a favorable opportunity might present itself to complete the work begun here by the conclusion of further agreements covering cruisers, destroyers, and submarines. The desirability of such an agreement has been apparent, since it was only to be expected that the spirit of competition, stifled as regards capital ships and aircraft carriers by the Washington Treaty, would, sooner or later, show itself with regard to the other vessels not limited under the Treaty. Actually, I do not believe that competitive building of these classes of ships has begun. Nevertheless, far-reaching building programs have been laid down by certain Powers, and there has appeared in our own country, as well as abroad, a sentiment urging naval construction on the ground that such construction is taking place elsewhere. In such sentiments lies the germ of renewed naval competition.

I am sure that all governments and all peoples would choose a system of naval limitation in preference to consciously reverting to competitive building. Therefore, in the hope of bringing about an opportunity for discussion among the principal naval Powers to ascertain whether further limitation is practicable, I have suggested to them that negotiations on this subject should begin as soon as possible.

The moment seems particularly opportune to try to secure further limitation of armament in accordance with the expressed will of the Congress. The earnest desire of the nations of the world to relieve themselves in as great a measure as possible of the burden of armaments and to avoid the dangers of competition has been shown by the establishment of the Preparatory Commission for the Disarmament Conference, which met in Geneva last May, and which is continuing its work with a view to preparing the agenda for a final general conference. For more than six months, representatives of a score or more of nations have examined from all points of view the problem of the reduction and limitation of armaments. In these discussions it was brought out very clearly that a number of nations felt that land, sea, and air armaments were interdependent and that it would be difficult, if not impossible, to agree upon the limitation of one type of armament without simultaneously limiting the other types.

The consequence to be feared is that a deadlock will be reached, should even partial progress in the reduction of armaments be conditioned upon the acceptance of some universal plan covering land, sea, and air forces together. If the prospective deadlock can not be broken, it is probable that little progress will be made for the time being. It appears to me to be the duty of this Government, which has always advocated limitation of armaments, to endeavor to suggest some avenue by which concrete results may be achieved even though such results may

be short of an ultimate ideal solution for the threefold problem of land, sea, and air armament.

Our delegates at Geneva have consistently expressed the view that under conditions as they exist in the world to-day the problems of land and air armaments are most susceptible of solution by regional agreements covering regions within which the land or air armaments of one country could constitute a potential threat to another country. Geographical continents have been suggested as regions appropriate for land and air limitation agreements.

The American land and air force constitute a threat to no one. They are at a minimum strength; their reduction has been suggested by no one as a necessary condition precedent to general arms limitation. This reduction of our land forces has been rendered possible by our favored geographical positoin. I realize that the problems of armaments on land and in the air in Europe are beset with difficulties which in all justice we must recognize and, although this Government will always be ready to lend its assistance in any appropriate way to efforts on the part of European or other Governments to arrive at regional agreements limiting land and air forces, it would hesitate to make specific proposals on this subject to European nations.

The problem of the limitation of naval armament, while not regional in character or susceptible of regional treatment, has been successfully treated, in part, by an agreement among the five leading naval powers, and, in my opinion, can be definitely dealt with by further agreements among those powers.

It will be a contribution to the success of the preliminary work now going on at Geneva should the great naval powers there agree upon a further definite limitation of naval armament.

It is my intention that the American representatives at Geneva should continue to discuss with the representatives of the other nations there the program for a general limitation of armaments conference. If such a conference should be possible in the future, on a basis generally acceptable, this Government would, of course, be highly gratified. Pending the formulation of the plan for such a general conference, however, I believe that we should make an immediate and sincere effort to solve the problem of naval limitation, the solution of which would do much to make the efforts toward more general limitation successful.

CALVIN COOLIDGE.

MEMORANDUM

The American Government has followed with close attention the proceedings of the Preparatory Commission for the Disarmament Conference, and, after the most careful deliberation, has concluded that it can helpfully make certain observations at this time which, it hopes, may contribute materially to the success of the

commission—a success earnestly desired by the Government and people of the United States.

The conviction that the competitive augmentation of national armaments has been one of the principal causes of international suspicion and ill will, leading to war, is firmly held by the American Government and people. Hence the American Government has neglected no opportunity to lend its sympathy and support to international efforts to reduce and limit armaments.

The success of the Washington Conference of 1921-22 demonstrated that other Powers were animated with a similar desire to do away with this dangerous source of international discord. The Washington Conference made a beginning, however, and it has been the continued hope of the American Government, since 1922, that the task undertaken at Washington by the group of naval Powers could be resumed and completed.

For this reason, the American Government was happy to observe that the efforts looking towards the holding of a general international conference for the limitation of armament, which had been in progress for several years under the auspices of the League of Nations, had reached, in December, 1925, a stage sufficiently advanced, in the opinion of the Council of the League of Nations, to warrant the establishment of the preparatory commission, to meet in 1926, to prepare the ground for an international conference at an early date. The American Government, pursuant to its policy of cooperation with all efforts calculated to bring about an actual limitation of armament, accepted the invitation of the Council to be represented on the preparatory commission. The American representatives on that commission have endeavored to play a helpful part in its discussions, and they will continue to be guided by that policy.

The American Government believes that the discussions of the commission have been most valuable in making clear the views of the various governments as to the problems presented, and in demonstrating the complexity and diversity of the obstacles to be overcome in the preparation and conclusion of a general agreement for the limitation of all armament.

At the same time, these very complexities and difficulties, as brought out in the preparatory commission, have clearly pointed out that a final solution for the problem of armament may not be immediately practicable. Indeed, at the latest meeting of the Council of the League of Nations several distinguished statesmen, leaders in the movement for the limitation of armament, sounded a note of warning against too great optimism of immediate success.

The American Government is most anxious that concrete results in the limitation of armament may be achieved. The discussions of the preparatory commission have emphasized the fact that a number of Governments consider that one of the chief present obstacles to the general reduction and limitation of armaments lies in the interdependence of land, sea, and air armaments, and in the consequent impossibility of reducing or limiting one of these categories without dealing simultaneously with the others. On the other hand, the discussions have demonstrated even more emphatically that, should all effort to bring about the reduction or limitation of armament be conditioned upon the acceptance by all the world of a comprehensive plan covering all classes and types of armament, there would be little, if any, prospect of actual progress toward arms limitation in the near future.

The above difficulties must be frankly recognized. The American Government believes that they can be overcome and that they must be overcome, since the consequences of a failure to overcome them, and to make some definite, if only partial, agreement for the limitation of armament, would constitute a setback to the cause of international peace too great to deserve serious contemplation as a possibility.

Admitting reluctantly that the existing political situations in certain parts of the world may render the problem of universal limitation incapable of immediate solution as a whole, the American Government believes that it is entirely practicable for the nations of the world to proceed at once to the isolation and separate solution of such problems as may appear susceptible of such treatment, meanwhile continuing to give sympathetic consideration and discussion to comprehensive proposals aimed at the simultaneous limitation of land, sea, and air armaments by a general agreement when such an agreement may be warranted by existing world conditions. The American Government believes that the adoption of such a course is the duty of the Governments represented on the preparatory commission, and that by so doing they will insure the achievement by the commission and by the general conference of concrete, even though perhaps only partial, results, thus facilitating progress toward the final solution of the general problem.

The American Government, as its representatives on the preparatory commission have repeatedly stated, feels that land and air armaments constitute essentially regional problems to be solved primarily by regional agreements. The American Army and Air Force are at minimum strength. Agreement for land and air limitation in other regions of the world would not be dependent upon the reduction or limitation of American land and air forces. Therefore the American Government does not feel that it can appropriately offer definite suggestions to other powers in regard to the limitation of these categories of armament.

The problem of the limitation of naval armament, while not regional in character, can be dealt with as a practical matter by measures affecting the navies of a limited group of powers. This has been clearly established by the success of the Washington treaty limiting naval armament. The United States, as the initiator of the Washington Conference, and as one of the principal naval powers, has a direct interest in this question, and, being both ready and willing to enter into an agreement further limiting naval armament, feels itself privileged to indicate a course of procedure which will, in its opinion, lead to such an agreement.

The discussions over a period of six months in Geneva have been most useful in the opportunity afforded for an exchange of views as to the general problem of naval limitation, and on the basis of these discussions it is felt that there is a possibility of reconciling many of the divergent views which have been expressed in such a manner as to meet the requirements of the naval powers and enable them to decide upon acceptable measures of limitation.

In order to advance definitely toward a limitation agreement, the Government of the United States takes this method of addressing an inquiry to the Governments signatories of the Washington treaty limiting naval armament as to whether they are disposed to empower their representatives at the forthcoming meeting of the preparatory commission to initiate negotiations looking toward an agreement providing for limitation in the classes of naval vessels not covered by the Washington treaty.

The American Government is not unmindful of the fact that the preparatory commission is not specifically charged with the duty of concluding international agreements, and that its task is primarily that of preparing the agenda for a conference to be called at a later date. Nevertheless, being sincerely desirous of the success of the preparatory commission, the American Government makes this suggestion in the firm belief that the conclusion at Geneva, as soon as possible, among the powers signatories of the Washington treaty, of an agreement for further naval limitation, far from interfering with or detracting from the success of the preparatory commission's aims, would constitute a valuable contribution to the sum of achievement attributable to that commission and would facilitate the task of the final conference

in dealing with the particularly complex problems of land and air armament, perhaps capable of solution for the present only by regional limitation agreements.

It seems probable that under any circumstances the final conference will not be able to meet during this calendar year. The coming into effect of agreements reached by it might be delayed for a considerable period for a multitude of causes. Therefore the American Government believes that those powers which may be able to arrive at an agreement for further naval limitation at an earlier date would not be justified in consciously postponing that agreement and thereby opening the way for a recrudescence of a spirit of competetive naval building—a development greatly to be deplored by all governments and peoples.

The American Government feels that the general principles of the Washington Treaty offer a suitable basis for further discussion among its signatories.

Although hesitating at this time to put forward rigid proposals as regards the ratios of naval strength to be maintained by the different powers, the American Government, for its part, is disposed to accept, in regard to those classes of vessels not covered by the Washington Treaty, an extension of the 5—5—3 ratio as regards the United States, Great Britain, and Japan, and to leave to discussion at Geneva the ratios of France and Italy, taking into full account their special conditions and requirements in regard to the types of vessels in question. Ratios for capital ships and aircraft carriers were established by that treaty which would not be affected in any way by an agreement covering other classes of ships.

The American representatives at the forthcoming meeting at Geneva will, of course, participate fully in the discussions looking to the preparation of an agenda for a final general conference for the limitation of armament. In addition, they will have full powers to negotiate definitely regarding measures for further naval limitation, and, if they are able to reach agreement with the representatives of the other signatories of the Washington treaty, to conclude a convention embodying such agreement, in tentative or final form, as may be found practicable.

The American Government earnestly hopes that the institution of such negotiations at Geneva may be agreeable to the Governments of the British Empire, France, Italy, and Japan, and that comprehensive limitation of all types of naval armament may be brought into effect among the principal naval Powers without delay.

ADDRESS TO CONGRESS

[In Joint Session, Washington's Birthday, 1927, in Anticipation of Celebration of Two Hundredth Anniversary, in 1932, of the Birth of George Washington.]

My fellow Americans:

On the twenty-second day of February, 1932, America will celebrate the two hundredth anniversary of the birth of George Washington. Wherever there are those who love ordered liberty, they may well join in the observance of that event. Although he belongs to us, yet by being a great American he became a great world figure. It is but natural that here under the shadow of the stately monument rising to his memory, in the Capital City bearing his name, the country made independent by his military genius, and the republic established by his statesmanship, should already begin preparations to proclaim the immortal honor in which we hold the Father of Our Country.

In recognition of the importance of this coming anniversary, more than two years ago the Congress passed a joint resolution establishing a commission, which was directed to have this address made to the American people reminding them of the reason and purpose for holding the coming celebration. It was also considered that now would be an appropriate time to inform the public that this commission desires to receive suggestions concerning plans for the proposed celebration and to express the hope that the states and their political subdivisions under the direction of their governors and local authorities would soon arrange for appointing commissions and committees to formulate programs for cooperation with the federal Government. When the plans begin to be matured they should embrace the active support of educational and religious institutions, of the many civic, social, and fraternal organizations, agricultural and trade associations, and of other numerous activities which characterize our national life.

It is greatly to be hoped that out of the studies pursued and the investigations made a more broad and comprehensive understanding and a more complete conception of Washington, the man, and his relation to all that is characteristic of American life may be secured. It was to be expected that he would be idealized by his countrymen. His living at a time when there were scanty reports in the public press, coupled with the inclination of early biographers, resulted in a rather imaginary character being created in response to the universal desire to worship his memory. The facts of his life were of record, but were not easily accessible. While many excellent books, often scholarly and eloquent, have been written about him, the temptation has been so strong to represent him as an heroic figure composed of superlatives that the real man among men, the human being subjected to the trials and temptations common to all mortals, has been too much obscured and forgotten. When we regard him in this character and have revealed to us the judgment with which he met his problems, we shall all the more understand and revere his true greatness. No great mystery surrounds him; he never relied on miracles. But he was a man endowed with what has been called uncommon common sense, with tireless industry, with a talent for taking infinite pains, and with a mind able to understand the universal and eternal problems of mankind.

Washington has come to be known to the public almost exclusively as the Virginia colonel who accompanied the unfortunate expedition of General Braddock as the commander in chief of the Continental Army during the Revolutionary War, as the first President of the United States, and as the master of the beautiful estate at Mount Vernon. This general estimate is based to a large extent on the command he held in time of war and the public office he held in time of peace. A recital of his courage and patriotism, his loyalty and devotion, his self-sacrifice,

his refusal to be king, will always arouse the imagination and inspire the soul of everyone who loves his country. Nothing can detract from the exalted place which this record entitles him to hold. But he has an appeal even broader than this, which to-day is equally valuable to the people of the United States. Not many of our citizens are to be called on to take high commands or to hold high public office. We are all necessarily engaged in the ordinary affairs of life. As a valuable example to youth and to maturity, the experience of Washington in these directions is worthy of much more attention than it has received.

We all share in the benefits which accrued from the independence he won and the free republic he did so much to establish. We need a diligent comprehension and understanding of the great principles of government which he wrought out, but we shall also secure a wide practical advantage if we go beyond this record, already so eloquently expounded, and consider him also as a man of affairs. It was in this field that he developed that executive ability which he later displayed in the camp and in the council chamber.

It ought always to be an inspiration to the young people of the country to know that from earliest youth Washington showed a disposition to make the most of his opportunities. He was diligently industrious—a most admirable and desirable, if seemingly uninteresting, trait. His father, who had been educated in England, died when his son was eleven years old. His mother had but moderate educational advantages. There were no great incentives to learning in Virgnia in 1732, and the facilities for acquiring knowledge were still meager. The boy might well have grown up with very little education, but his eager mind and indomitable will led him to acquire learning and information despite the handicaps surrounding him.

His formal schooling, which was of a rather primitive character, ended at the age of thirteen. His copy and exercise books, still in existence, contain forms of bills, receipts, and like documents, showing he had devoted considerable time to that branch of his studies. He was preparing himself to be a practical business man. When his regular instruction ended, his education was just beginning. It continued up to his death, December 14, 1799. If ever there was a self-made man, it was George Washington. Through all his later years he was constantly absorbing knowledge from contact with men, from reading whenever time and facilities permitted, and from a wide correspondence.

When sixteen he became a surveyor and for four years earned a living and much experience in that calling. Although considerable has been written about it, not many people think of our first President as an agriculturist. He prepared a treatise on this subject. Those who have studied this phase of his life tell us he was probably the most successful owner and director of an agricultural estate in his day. A visitor in 1785

declared "Washington's greatest pride was to be thought the first farmer in America." Toward the end of his life he wrote:

> I am led to reflect how much more delightful to an undebauched mind is the task of making improvements on the earth than all the vain glory which can be acquired from ravaging it by the most uninterrupted career of conquests.

He always had a great affection for Mount Vernon. He increased his land holdings from 2500 to over 8000 acres, 3200 of which he had under cultivation at one time.

His estate was managed in a thoroughly businesslike fashion. He kept a very careful set of account books for it, as he did for his other enterprises. Overseers made weekly statements showing just how each laborer had been employed, what crops had been planted or gathered. While he was absent reports were sent to him, and he replied in long letters of instruction, displaying wonderful familiarity with details. He was one of the first converts to the benefits of scientific fertilization and to the rotation of crops, for that purpose making elaborate tables covering five-year periods. He overlooked no detail in carrying on his farm according to the practice of those days, producing on the premises most of the things needed there, even to shoes and textiles. He began the daily round of his fields at sunrise, and often removed his coat and helped his men in the work of the day.

He also showed his business ability by the skillful way in which he managed the considerable estates left to his two stepchildren by their father. So successfully was this done that John Parke Custis became, at the age of 21, the richest young man in the Old Dominion. Prussing tells us that Martha Custis was advised to get the ablest man in the colony to manage her estate and to pay him any salary within reason. And he adds: "That she chose wisely in marrying the young colonel, and got the best of a good bargain, is the opinion of many."

He was engaged in many business enterprises. That of the Dismal Swamp, comprising drainage and lumber operations south of Norfolk, was handled efficiently by Washington for five years subsequent to 1763. In addition to his land holdings, wisely chosen, the rise in value of which accounted in no small degree for his fortune, Washington participated in a number of real estate and transportation companies. As a private citizen he was constantly on the outlook for sound investments and for ways to increase his capital. In the purchase of frontier lands and in the promotion of plans for the building up and development of new parts of the country he was performing important public service.

Dr. Albert Bushnell Hart, distinguished historian, and a member of our commission, says:

> Washington has been criticized for buying up land warrants and holding on to his title in the face of squatters. Actually no American has ever done so much to open

up vast tracts of land, first under the British and then under the American flag, fitted to become the home of millions of American farmers.

After thirteen years of effort Washington forced the British Government to give to the Virginia veterans of the French and Indian Wars the 200,000 acres of western lands promised by the Governor of that colony. His management and distribution of these bounties were carried out in an eminently efficient and satisfactory manner. He acquired two large farms in Maryland. During a trip in New York State in 1783 he saw the possibilities of a waterway from the sea to the Great Lakes by way of the Hudson River and the Mohawk Valley—the present route of a great barge canal. Because of his business vision he joined with General Clinton in the purchase of 6000 acres near Utica.

To Washington, the man of affairs, we owe our national banks, for had he followed the advice of other leaders, great but less enlightened on matters of finance, the plans of Alexander Hamilton would not have been realized. As a result of the war the country was deeply in debt, and had no credit; but the solution of our financial difficulties suggested by the first Secretary of the Treasury was opposed by those from rural communities. They argued that the large commercial cities would dominate to the detriment of other parts of the country. Both Jefferson, Secretary of State, and Randolph, Attorney General, in writing opposed the incorporation by Congress of a national bank. They were joined by Madison and Monroe. All argued against the constitutionality of this proposition. Hamilton answered their arguments fully in his famous opinion. But, had the President not been a man of affairs, had he not been for many years a large holder of stock in the Bank of England, coming from the estate of Daniel Parke Custis, he might have yielded to the opposition. Because he knew something about bank accounts and bank credits the bill was signed and the foundation of our financial system laid.

Washington was also a stockholder in the Bank of Alexandria and in the Bank of Columbia at Georgetown. In his last will and testament he directed that such moneys as should be derived from the sale of his estate during the lifetime of Mrs. Washington should be invested for her in good bank stocks.

After his retirement from the Presidency in March, 1797, Washington spent more than two and a half happy years at Mount Vernon. In his last summer he made a will, one of the most remarkable documents of its kind of which we have record. Again he showed his versatility, in disposing of his many properties under a variety of bequests and conditions without legal advice. It has been called an autobiographic will—it shows in its manifold provisions his charitable thoughtfulness for his dependents and his solicitude for the future welfare of his country.

As President he was always an exponent of sound and honest public finance. He advocated the payment of our debts in full to holders of record, and the assumption by the nation of the debts incurred by the various states to carry on the Revolution. His support of financial integrity, because it was morally right, strengthened the Union.

This practical business ability and interest in broad and general affairs made him one of the first to realize that the future of the American Empire lay in the regions beyond the Alleghenies in the territory of the Ohio and the Mississippi. Because of this belief, he is said to have been the moving spirit in the first plans for the organization of our public lands. His association with the West may have started in the period 1749-1751, when he assisted his brother, Lawrence, in his various business enterprises, among them the Ohio Company, which had a grant of 500,000 acres of land on the east side of the Ohio River. The French having driven out the early British settlers who had started a fort where Pittsburgh now stands, Washington, at the age of 21, volunteered to head an expedition for its recovery. The comprehensive report of this young man was considered of enough importance to be sent from London to all the European capitals, by way of justifying Great Britain in making war upon France. In 1763 he organized the Mississippi Company to take the place of the Ohio Company, which was one of the casualties of the war. He applied for a grant of 1,000,000 acres of land, though he did not receive it. But he made his own investments so that in the schedule of his property attached to his will we find western lands appraised at over $400,000—along the Ohio, the Great Kanawha, in western Pennsylvania, in Kentucky, and in the Northwest Territory.

Having a vision of what the West meant in the future prosperity of the new Republic, Washington in 1784 journeyed out into the wilds. His diary of the trip is filled with interest and enthusiasm over the possibilities of that region. Hulbert, who has made a study of it, calls him our first expansionist, the originator of the idea of possessing the West through commercial relations. "It was a pioneer idea, instinct with genius," this author writes, "and Washington's advocacy of it marks him as the first commercial American, the first man typical of the America that was to be." Due to his investments, he became the president of the James River Company and of the Potomac River Company, organized in 1785 to look into the possibility of opening navigation through to the West. To the Potomac Company, which involved the first interstate commerce negotiations in this country, he devoted four years of service. It has been thought that these negotiations entered into by Washington led up almost directly to the calling of the Constitutional Convention. They revealed clearly the difficulty under the Articles of Confederation of accomplishing anything involving the welfare of all the states, and showed the need of a more strongly centralized national

government. His ability as a business man was the strong support of his statesmanship. It made his political ideas intensely practical.

Washington's Atlantic-Mississippi waterway plan was never carried out. But the advocacy of it without doubt had much to do with preventing a break in the Union, which threatened serious consequences. The people of western North Carolina, now Tennessee, shut off from the east by mountains, had no outlet to the sea other than the Mississippi, and Spain, controlling the mouth of this river, levied heavy tribute on all commerce passing through it. Disappointed at the inability of the national Government to get concessions from Spain, they, in 1784, established a separate state and started negotiations for an association with that foreign country. This action was rescinded after Washington put forth his waterway plan.

That he should have been responsible in large measure for the opening of the West and for calling attention to the commercial advantages the country might derive therefrom is by no means the least of his benefactions to the nation. He demonstrated that those who develop our resources, whether along agricultural, commercial, and industrial lines or in any other field of endeavor, are entitled to the approval, rather than the censure, of their countrymen.

Washington was a builder—a creator. He had a national mind. He was constantly warning his countrymen of the danger of settling problems in accordance with sectional interests. His ideas in regard to the opening of our western territory were thought out primarily for the benefit of the nation. It has been said that he would have been "the greatest man in America had there been no Revolutionary War."

He was largely instrumental in selecting the site for our national Capital, influenced in no small degree by his vision of the commercial possibilities of this locality. It included his plan of the waterway to the West, through the Potomac, the Monongahela, and the Ohio Rivers, which he used to speak of as "the channel of commerce to the extensive and valuable trade of a rising empire." He, of course, could not foresee the development of railway transportation and the great ocean-going vessels, because of which the seat of our Government became separated from active contact with commerce and was left to develop as the cultural and intellectual center of the nation. Due to the genius of L'Enfant, the great engineer, this city from the first has had a magnificent plan of development. Its adoption was due in no small degree to the engineering foresight and executive ability of Washington. By 1932 we shall have made much progress toward perfecting the ideal city planned by him in the closing days of the eighteenth century.

Washington had the ability to translate ideals into the practical affairs of life. He was interested in what he believed contributed to

the betterment of every-day existence. Perhaps because he realized the deficiency of his own early education, he was solicitous to provide liberal facilities for the youth of the future. Because as a man of affairs he knew the every-day uses of learning, in an early message to the Congress and in his will he sought methods for the establishment of a national university. Even in his Farewell Address we find this exhortation:

> Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened.

He desired his system of education to be thoroughly American and thoroughly national. It was to support the people in a knowledge of their rights, in the creation of a republican spirit, and in the maintenance of the Union.

It was with the same clear vision that he looked upon religion. For him there was little in it of emotionalism. He placed it on a firmer, more secure foundation, and stated the benefits which would accrue to his country as the results of faith in spiritual things. He recognized that religion was the main support of free institutions. In his Farewell Address he said:

> Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to subvert these great pillars of human happiness—these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, Where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion.
>
> Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle. It is substantially true that virtue or morality is a necessary spring of popular government. The rule indeed extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Without bigotry, without intolerance, he appeals to the highest spiritual nature of mankind. His genius has filled the earth. He has been recognized abroad as "the greatest man of our own or any age." He loved his fellow men. He loved his country. That he intrusted their keeping to a Divine Providence is revealed in the following prayer which he made in 1794:

> Let us unite, in imploring the Supreme Ruler of Nations, to spread His holy protection over these United States; to turn the machinations of the wicked, to the

confirming of our Constitution; to enable us, at all times, to root out internal sedition and put invasion to flight; to perpetuate to our country that prosperity which His goodness has already conferred; and to verify the anticipations of this Government being a safeguard of human rights.

He was an idealist in the sense that he had a very high standard of private and public honor. He was a prophet to the extent of being able to forecast with remarkable vision the growth of the nation he founded and the changing conditions which it would meet. But, essentially, he was a very practical man. He analyzed the problems before him with a clear intellect. Having a thorough understanding, he attacked them with courage and energy, with patience and persistence. He brought things to pass. When Patrick Henry was asked in 1774 whom he thought was the greatest man in the Continental Congress, he replied:

If you speak of eloquence, Mr. Rutledge, of South Carolina, is by far the greatest orator; but if you speak of solid information and sound judgment, Colonel Washington is unquestionably the greatest man on that floor.

His accomplishments were great because of an efficiency which marked his every act and a sublime, compelling faith in the ultimate triumph of the right. As we study his daily life, as we read his letters, his diaries, his state papers, we come to realize more and more his wisdom, his energy, and his efficiency. He had the moral efficiency of an abiding religious faith, emphasizing the importance of the spiritual side of man, the social efficiency shown by his interest in his fellow men, and in his realization of the inherent strength of a people united by a sense of equality and freedom, the business efficiency of a man of affairs, of the owner and manager of large properties, the governmental efficiency of the head of a new nation, who taking an untried political system made it operate successfully, of a leader able to adapt the relations of the government to the people. He understood how to translate political theory into a workable scheme of government. He knew that we can accomplish no permanent good by going to extremes. The law of reason must always be applied. He followed Milton, who declared "* * * law in a free nation hath ever been public reason," and he agreed with Burke that "Men have no right to what is not reasonable."

It is a mark of a great man that he surrounds himself by great men. Washington placed in the most important positions in his Cabinet, Jefferson, with his advocacy of the utmost degree of local self-government and of states' rights, and Hamilton, whose theories of a strong national government led him to advocate the appointment of state governors by the President. Either theory carried to the extreme soon would have brought disaster to what has proved the

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THE THIRTIETH PRESIDENT TAKES THE OATH OF OFFICE FROM THE TWENTY-SEVENTH

THE INAUGURATION OF CALVIN COOLIDGE

The scene when Calvin Coolidge took the Presidential oath of office for the second time was in marked contrast to the scene when he took it for the first time. In 1925, all was festivity, pomp and gayety. In 1923, the surroundings were the simple room of a remote Vermont farm, with grief at the death of President Harding uppermost in the country's mind. In 1923, the oath was administered by the President's father; in 1925, by Chief Justice of the Supreme Court William Howard Taft, the first occasion when an ex-President of the United States administered the oath of office to one of his successors.

most successful experiment in liberty under proper governmental restraint in the history of the world.

It is due to his memory that we guard the sovereign rights of the individual states under our Constitution with the same solicitude that we maintain the authority of the federal Government in all matters vital to our continued national existence.

Such is the background of a man performing the ordinary duties of life. As it was George Washington, of course he performed them extraordinarily well. The principles which he adopted in his early youth and maintained throughout his years are the source of all true greatness. Unless we understand this side of him, we shall fail in our comprehension of his true character. It was because of this training that he was able to assume the leadership of an almost impossible cause, carry it on through a long period of discouragement and defeat, and bring it to a successful conclusion. In advance of all others he saw that war was coming. With an army that was never large and constantly shifting, poorly supported by a confederation inexperienced, inefficient and lacking in almost all the essential elements of a government, he was victorious over the armies of seasoned troops commanded by Howe, Burgoyne, Clinton, and Cornwallis, supported by one of the most stable and solid of governments, possessed of enormous revenues and ample credit, representing the first military power of the world.

As an example of generalship, extending over a series of years from the siege of Boston to the fall of Yorktown, the Commander in Chief of the Continental Armies holds a position that is unrivaled in the history of warfare. He never wavered, he never faltered from the day he modestly undertook the tremendous task of leading a revolution to the day when with equal modesty he surrendered his commission to the representatives of the independent Colonies. He triumphed over a people in the height of their glory who had acknowledged no victor for seven hundred years.

Washington has come to personify the American Republic. He presided over the convention that framed our Constitution. The weight of his great name was the deciding factor in securing its adoption by the states. These results could never have been secured had it not been recognized that he would be the first President. When we realize what it meant to take thirteen distracted colonies, impoverished, envious, and hostile, and weld them into an orderly federation under the authority of a central government, we can form some estimate of the influence of this great man. But when we go further and remember that the Government which he did so much to bring into being not only did not falter when he retired from its administration, but, withstanding every assault, has constantly grown stronger with the passage of time and

been found adequate to meet the needs of nearly 120,000,000 people occupying half a continent and constituting the greatest power the world has ever known, we can judge something of the breadth and soundness of his statesmanship.

We have seen many soldiers who have left behind them little but the memory of their conflicts, but among all the victors the power to establish among a great people a form of self-government which the test of experience has shown will endure was bestowed upon Washington, and Washington alone. Many others have been able to destroy. He was able to construct. That he had around him many great minds does not detract from his glory. His was the directing spirit without which there would have been no independence, no Union, no Constitution, and no Republic. His ways were the ways of truth. He built for eternity. His influence grows. His stature increases with the increasing years. In wisdom of action, in purity of character, he stands alone. We can not yet estimate him. We can only indicate our reverence for him and thank the Divine Providence which sent him to serve and inspire his fellow men.

VETO MESSAGE

[McNary-Haugen Farm Relief Bill.]

THE WHITE HOUSE, *February 25, 1927.*

To the Senate:

The conditions which Senate Bill 4808 is designed to remedy have been, and still are, unsatisfactory in many cases. No one can deny that the prices of many farm products have been out of line with the general price level for several years. No one could fail to want every proper step taken to assure to Agriculture a just and secure place in our economic scheme. Reasonable and constructive legislation to that end would be thoroughly justified and would have the hearty support of all who have the interests of the nation at heart. The difficulty with this particular measure is that it is not framed to aid farmers as a whole, and it is, furthermore, calculated to injure rather than promote the general public welfare.

It is axiomatic that progress is made through building on the good foundations that already exist. For many years—indeed, from before the day of modern agricultural science—balanced and diversified farming has been regarded by thoughtful farmers and scientists as the safeguard of our agriculture. The bill under consideration throws this aside as of no consequence. It says in effect that all the agricultural scientists and all the thinking farmers of the last fifty years are wrong, that what we ought to do is not to encourage diversified agriculture

but instead put a premium on one-crop farming. The measure discriminates definitely against products which make up what has been universally considered a program of safe farming. The bill upholds as ideals of American farming the men who grow cotton, corn, rice, swine, tobacco, or wheat, and nothing else. These are to be given special favors at the expense of the farmer who has toiled for years to build up a constructive farming enterprise to include a variety of crops and live stock that shall, so far as possible, be safe, and keep the soil, the farmer's chief asset, fertile and productive.

The bill singles out a few products, chiefly sectional, and proposes to raise the prices of those regardless of the fact that thousands of other farmers would be directly penalized. If this is a true farm-relief measure, why does it leave out the producers of beef, cattle, sheep, dairy products, poultry products, potatoes, hay, fruit, vegetables, oats, barley, rye, flax and the other important agricultural lines? So far as the farmers as a whole are concerned, this measure is not for them. It is for certain groups of farmers in certain sections of the country. Can it be thought that such legislation could have the sanction of the rank and file of the nation's farmers? This measure provides specifically for the payment by the federal board of all losses, costs and charges of packers, millers, cotton spinners, or other processors who are operating under contract with the board. It contemplates that the packers may be commissioned by the Government to buy hogs enough to create a near scarcity in this country, slaughter the hogs, sell the pork products abroad at a loss, and have their losses, costs and charges made good out of the pockets of farm taxpayers. The millers would be similarly commissioned to operate in wheat or corn and have their losses, costs and charges paid by farm taxpayers.

It is roughly estimated that in this country there are 4,000 millers, over 1,000 meat-packing plants, and about 1,000 actual spinners. No one can say definitely after reading this bill whether each of these concerns would be entitled to receive a contract with the Government. Certainly no independent concern could continue in business without one. Each of the agencies holding a contract—the efficient and inefficient alike—would be reimbursed for all their losses, costs and charges. It seems almost incredible that the producers of hogs, corn, wheat, rice, tobacco and cotton should be offered a scheme of legislative relief in which the only persons who are guaranteed a profit are the exporters, packers, millers, cotton spinners and other processors.

Clearly this legislation involves Governmental fixing of prices. It gives the proposed federal board almost unlimited authority to fix prices on the designated commodities. This is price fixing, furthermore, on some of the nation's basic foods and materials. Nothing is more certain than that such price fixing would upset the normal exchange

relationship existing in the open market and that it would finally have to be extended to cover a multitude of other goods and services. Government price fixing, once started, has alike no justice and no end. It is an economic folly from which this country has every right to be spared.

This legislation proposes, in effect, that Congress shall delegate to a Federal Farm Board, nominated by farmers, the power to fix and collect a tax, called an equalization fee, on certain products produced by those farmers. That certainly contemplates a remarkable delegation of the taxing power. The purpose of that tax, it may be repeated, is to pay the losses incurred in the disposition of the surplus products in order to raise the price on that portion of the products consumed by our own people. This so-called equalization fee is not a tax for purposes of revenue in the accepted sense. It is a tax for the special benefit of particular groups. As a direct tax on certain of the vital necessaries of life it represents the most vicious form of taxation. Its real effect is an employment of the coercive powers of Government to the end that certain special groups of farmers and processors may profit temporarily at the expense of other farmers and of the community at large.

The chief objection to the bill is that it would not benefit the farmer. Whatever may be the temporary influence of arbitrary interference, no one can deny that in the long run prices will be governed by the law of supply and demand. To expect to increase prices and then to maintain them on a higher level by means of a plan which must of necessity increase production while decreasing consumption is to fly in the face of an economic law as well established as any law of nature. Experience shows that high prices in any given year mean greater acreage the next year. This does not necessarily mean a larger crop the following year, because adverse weather conditions may produce a smaller crop on a larger acreage, but in the long run a constantly increasing acreage must of necessity mean a larger average crop.

Under the stimulus of high prices, the cotton acreage increased by 17,000,000 acres in the last five years. Under the proposed plan, as prices are driven up irresistibly by the artificial demand created by the purchases of the board, the millions of farmers, each acting independently, with no assurance that self-restraint on his part in the common interest will be accompanied by a like restraint on the part of millions of other individuals scattered over this immense country, will do just what any one else would do under the circumstances, plant and grow all they can in order to take full advantage of a situation which they fear is only temporary. This was, of course, recognized by the authors of the measure; and they proposed originally to offset this tendency by means of the equalization fee to be paid by each producer. But in the present bill the equalization fee is to be paid by only part of the producers.

On the other hand, higher prices will make a decreased consumption. From 1917 to 1925 the per capita consumption of pork increased from 55 pounds to 86.3 pounds, but in the following year, when the price of pork rose by $3.60 a hundred and the price of beef rose only 40 cents a hundred, the per capita consumption of pork fell off almost nine pounds.

It is not inconceivable that the consumers would rebel at an arbitrary high price and deliberately reduce their consumption of that particular product, especially as uncontrolled substitutes would always be available. The truth is that there is no such thing as effective partial control. To have effective control, we would have to have control of not only one food product but of all substitutes. Increased production on the one hand, coupled with decreased domestic consumption on the other, would mean an increased exportable surplus to be dumped on the world market. This in turn would mean a constantly decreasing world price until the point was reached where the world price was sufficiently low so that, even though increased by our tariff duties, commodities would flow into this country in large quantities.

A board of twelve men are granted almost unlimited control of the agricultural industry and can not only fix the price which the producers of five commodities shall receive for their goods, but can also fix the price which the consumers of the country shall pay for these commodities. The board is expected to obtain higher prices for the American farmer by removing the surplus from the home market and dumping it abroad at a below-cost price. To do this, the board is given the authority by implication to fix the domestic price level, either by means of contracts which it may make with processors or cooperatives, or by providing for the purchase of the commodities in such quantities as will bring the prices up to the point which the board may fix.

Except as it may be restrained by fear of foreign importations, the farm board, composed of representatives of producers, is given the power to fix the prices of these necessities of life at any point it sees fit. The law fixes no standard, imposes no restrictions, and requires no regulation of any kind. There could be no appeal from the arbitrary decision of these men, who would be under constant pressure from their constituents to push prices as high as possible. To expect moderation under these circumstances is to disregard experience and credit human nature with qualities it does not possess.

It is not so long since the Government was spending vast sums and through the Department of Justice exerting every effort to break up combinations that were raising the cost of living to a point conceived to be excessive. This bill, if it accomplishes its purpose, will raise the price of the specified agricultural commodities to the highest possible point and in doing so the board will operate without any restraints

imposed by the anti-trust laws. The granting of any such arbitrary power to a Government board is to run counter to our traditions, the philosophy of our Government, the spirit of our institutions, and all principles of equity.

The administrative difficulties involved are sufficient to wreck the plan. No matter how simple an economic conception may be, its application on a large scale in the modern world is attended by infinite complexities and difficulties. The principle underlying this bill, whether fallacious or not, is simple and easy to state; but no one has outlined in definite and detailed terms how the principle is to be carried out in practice. How can the board be expected to carry out after the enactment of the law what can not even be described prior to its passage? In the meanwhile, existing channels and methods of distribution and marketing must be seriously dislocated. This is even more apparent when we take into consideration the problem of administering the collection of the equalization fee. The bureau states that the fee will have to be collected either from the processors or the transportation companies, and dismisses as impracticable collections at the point of sale. In the case of transportation companies it points out the enormous difficulties of collecting the fee in view of the possibility of shipping commodities by unregistered vehicles.

In so far as processors are concerned, it estimates the number at 6,632, without considering the number of factories engaged in the business of canning corn or manufacturing food products other than millers. Some conception of the magnitude of the task may be had when we consider that if the wheat, the corn and the cotton crops had been under operation in the year 1925, collection would have been required from an aggregate of 16,034,466,679 units. The bureau states that it will be impossible to collect the equalization fee in full.

The bill will not succeed in providing a practical method of controlling the agricultural surplus, which lies at the heart of the whole problem. In the matter of controlling output, the farmer is at a disadvantage as compared with the manufacturer. The latter is better able to gauge his market, and in the face of falling prices can reduce production. The farmer, on the other hand, must operate over a longer period of time in producing his crops and is subject to weather conditions and disturbances in world markets which can never be known in advance.

In trying to find a solution for this fundamental problem of the surplus, the present bill offers no constructive suggestion. It seeks merely to increase the prices paid by the consumer, with the inevitable result of stimulating production on the part of the farmer and decreasing consumption on the part of the public. It ignores the fact that production is curbed only by decreased, not increased, prices. In the end the equalization fee and the entire machinery provided by the bill under

consideration will merely aggravate conditions which are the cause of the farmer's present distress.

We must be careful in trying to help the farmer not to jeopardize the whole agricultural industry by subjecting it to the tyranny of bureaucratic regulation and control. That is what the present bill will do. But, aside from all this, no man can foresee what the effect on our economic life will be of disrupting the long-established and delicately adjusted channels of commerce. That it will be far-reaching is undeniable, nor is it beyond the range of possibility that the present bill, if enacted into law, will threaten the very basis of our national prosperity, through dislocation, the slowing up of industry, and the disruption of the farmer's home market, which absorbs 90 per cent of his products.

With the limited number of farm cooperatives with whom contracts may be made for surplus disposal and the fact that farm cooperatives are not likely to be engaged in meat packing, flour-milling or cotton spinning, it appears certain that the largest part of these contracts must be made between the board and the processors and other agencies. It means that the whole contract in swine, for instance, must be carried out with the meat packers; that a large part of wheat operations must be carried out with flour millers, wheat exporters and others. It means that any establishment which has such a contract can charge what it likes to our American consumers because it can place the loss from any product unsalable at home on the farmer or the Government by dumping it abroad. In actual working this is a complete guarantee of the profits of these concerns without restraint or limitation on profiteering against American consumers, of which the farmer himself is a very large element. It is not a guarantee to the farmer. The implications of this were pointed out in significant remarks in the minority report of the House Committee on Agriculture, which merits fuller attention than it has been given:

> The silence of the majority report on this phase of the subject, in view of its wide circulation in the farming communities of the country, can be only because the proponents of the bill are unwilling that the farmers of the nation shall learn that it is proposed that the equalization fee principle shall be utilized to assure to the packers what they have not been able to gain for themselves—a certain profit from every year's operation.
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> The proponents of the bill at the hearings conceded that it could not operate as to animals except under a contract with the packers. It incidentally follows that no packer without a contract could operate with the board. The bill nowhere protects the independent packer. It does provide that there shall be no discrimination between cooperative associations. It contains no like provisions as to processors.

The bill would impose the burden of its support to a large degree upon farmers who would not benefit by it. The products embraced in the plan are only about one-third of the total American farm productions.

The farmers who grow these commodities are themselves large consumers of them, and every farmer consumes some of them. There are several million farmers who do not produce any of the designated products, or very little of them, and they must pay the premiums upon the products designated in the bill. In some commodities, such as corn and mill feed, the farmers are practically the sole consumers. It is proposed to increase the price of corn and mill feed to American farmers, and therefore the costs to the dairy and cattle feeding industries whose products are omitted from the bill. Beyond this, it seems that by dumping of American feeds abroad at lower prices than those charged under this plan to the American swine, cattle and dairy farmer, we should be directly subsidizing foreign production of pork, dairy, beef and other animal products in competition with our own farmers in the markets of the world. We shall send cheap cotton abroad and sell high cotton at home.

The effect of this plan will be continuously to stimulate American production and to pile up increasing surpluses beyond the world demand. We are already overproducing. It has been claimed that the plan would only be used in the emergency of occasional surplus which unduly depresses the price. No such limitations are placed in the bill. But on the other hand, the definition of surplus is the "surplus over domestic requirements," and as we have had such a surplus in most of the commodities covered in the bill for fifty years and will have for years to come it means continuous action.

It is said that by the automatic increase of the equalization fee to meet the increasing losses on enlarged dumping of increasing surplus that there would be restraint on production. This can prove effective only after so great an increase in production as will greatly enlarge our exports on all the commodities except cotton. With such increased surpluses dumped from the United States on to foreign markets the world prices will be broken down and with them American prices upon which the premium is based will likewise be lowered to the point of complete disaster to American farmers. It is impossible to see how this bill can work.

Several of our foreign markets have agriculture of their own to protect and they have laws in force which may be applied to dumping and we may expect reprisals from them against dumping agricultural products which will even more diminish our foreign markets.

The bill is essentially a price fixing bill, because in practical working the board must arrive in some way at the premium price which will be demanded from the American consumer, and it must fix these prices in the contracts at which it will authorize purchases by flour millers, packers, other manufacturers, and such cooperatives as may be used,

for the board must formulate a basis upon which the board will pay losses on the export of their surplus.

The present volume of exports of the commodities designated in the bill is one and one-half billion dollars per annum. A multitude of contracts involving scores of different grades and qualities and varieties of products with thousands of individuals, both for raw and manufactured materials, must be entered into—practically cost-plus contracts. The monetary volume of these contracts will be further expanded beyond even this sum because in hogs, for instance, the exports are in the main lard and bacon, while other parts of the animal are consumed at home, and thus contracting must apparently need cover all hogs, not the export surplus alone. Therefore the bill means an enormous building up of Government bureaucracy to let and inspect these billions of dollars of contracts with all their infinite variety of terms covering different goods and their different grades and qualities. In turn, all of the contracts of resales by these institutions must be examined and checked to determine the losses made.

Parallel with it another bureaucracy must be built up to collect and distribute the equalization fee. It all calls for an aggregation of bureaucracy dominating the fortunes of American farmers, intruding into their affairs and offering infinite opportunities to fraud and incapacity. It does not replace any middlemen or manufacturers; it means that thousands of officials are set to watch them and the farmers to see that they do not evade the requirements. One of our difficulties today is the great spread between the farmer and the consumer. All these increased processors' profits and this cost of bureaucracy must simply add to this spread without bringing to the farmer any return on such items. In fact, as he is a large consumer he also pays this.

While the Government is not directly buying or selling these commodities, it must under this bill let contracts for others to do so and name therein the terms upon which they shall buy and sell. No matter how disguised, this in plain terms is Government buying and selling of commodities through agents.

It is proposed that the administration of this plan shall be in the control of a board whose members are nominated to the President by agricultural organizations for his transmission to the Senate for confirmation. That appears to be an unconstitutional limitation on the authority of the President, but, far more important than this, I do not believe that upon serious consideration the farmers of America would tolerate the precedent of a body of men chosen solely by one industry who, acting in the name of the Government, shall arrange for contracts which determine prices, secure the buying and selling of commodities, the levying of taxes on that industry, and pay losses on foreign dumping of any surplus.

There is no reason why other industries—copper, coal, lumber, textiles and others—in every occasional difficulty should not receive the same treatment by the Government. Such action would establish bureaucracy on such a scale as to dominate not only the economic life but the moral, social and political future of our people. The amount of the equalization fees, the method of collection and disposition of these great sums of money are to be determined by the board without any effective check or review from the Executive or Congress—a delegation of powers under which our form of Government cannot continue.

No time limit is placed upon the contracts which the board may make. Such contracts might easily be for a term of years and in some commodities, as, for example, cotton at the present time, must necessarily be for a considerable period since the surplus cannot be disposed of in a single year. During the continuance of any such contract, the equalization fee must continue to be levied unless the whole burden of a continuing operation is to be borne by the producers of the first crop. Consequently the suggestion often made that the scheme should be tried, and if it fails be repealed, loses all force.

This suggestion is faulty in another respect, namely, that failure would be demonstrated only by the accumulation of a huge surplus in storage. The discontinuance of operations, while a vast supply remained in storage, would result in a prolonged depression of price through the surplus being fed into the markets or through fear of its sale.

While the bill authorizes an appropriation of $250,000,000, it fails to restrict the contracts of the board within that sum and nowhere denies the liability of the United States for additional sums of money. If the board had begun operating in the 1925 cotton crop when prices were around 20 cents a pound and had then attempted to hold up the price on the 1926 crop at a level which induced the picking of the whole crop, the whole $250,000,000 would have been spent and great commitments beyond that figure have been entered into. The allocation of $100,000,000 to cotton in last year's bill, plus the suggested fee of $5 a bale, would have been completely exhausted long before the 1926 crop came into the market. And, if the equalization fee should prove unconstitutional or otherwise uncollectible, the Treasury would have been committed by contracts to a liability to the extent of the whole revolving fund.

Apart from the necessity of contracting with the packers, the bill confers upon the board unlimited power as to the nature, extent and duration of contracts with other processors. It does not even enjoin an absence of "unreasonable" discrimination between them, although it does prohibit "unreasonable" discrimination between cooperatives. The board would therefore possess an absolute power of life and death over many legitimate business organizations, since none could compete against a processor enjoying a contract with the board protecting it against loss.

The board could go unlimitedly into processing for its own account, if it so desired. No such unrestricted powers have ever been conferred upon any board.

The insurance proposal amounts to a straight Government agreement to pay to the cooperative associations any loss which they may incur in withholding commodities from the market—no matter how high the price may go in the meantime. For example, a wheat cooperative may, in a year of shortage, take wheat from a member on a day when it is selling at $2.50 a bushel. Under this bill it may decide to hold it for $3 but be insured that if the market breaks the Government will pay it the difference between $2.50 and the price at which the cooperative actually disposes of the wheat. Nothing more destructive of all orderly processes of trade could be imagined, and nothing more unfair to the non-member of the cooperative, since his equalization fee would be used to pay the losses.

Let us see how the bill is to be put into operation. This act provides that before operations as to any one of these commodities shall begin it shall be necessary to obtain an expression from the producers of the commodity through a state convention of such producers. This applies in any state where not so many as 50 per cent of the producers of the particular commodity are members of cooperative associations or other organizations. The best estimate that can be made is that this would apply to every state in the Union. I quote from the Record with reference to this provision to show that this construction was given to it. The Congressional Record of February 11, page 3602, reads as follows:

Mr. McKellar—Immediately following that amendment I offer another amendment on behalf of the senior Senator from North Carolina (Mr. Simmons), * * *

The Vice President—The amendment will be stated.

The Chief Clerk—On page 8, line 16, after the word "commodity," insert the following proviso:

Provided, That in any state where not as many as 50 per cent of the producers of the commodity are members of such cooperative associations or other organizations, an expression from the producers of the commodity shall be obtained through a state convention of such producers, to be called by the head of the Department of Agriculture of such state, under rules and regulations prescribed by him.

Mr. Reed of Missouri—Mr. President, will the rules permit an inquiry of the Senator from Tennessee at this point? Does the last amendment read fix it so that if less than a majority are in favor of the scheme it may be adopted? Is it planned to call a state convention, a minority of which may be able to accomplish the result desired?

Mr. McKellar—No.

Mr. Reed of Missouri—Then what does it mean?

Mr. McKellar—It means exactly what it says, that such a convention shall pass on it before it is put into operation.

Page 3605.

Mr. McKellar—I offer an amendment on behalf of the senior Senator from North Carolina (Mr. Simmons).

The Vice President—The clerk will state the amendment. [Amendment repeated.]

Mr. Reed of Missouri—Mr. President, I do not desire to delay the Senate, but I ask for a record vote on these important amendments. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll. * * *

So Mr. McKellar's amendment was agreed to.

You will note that is a state convention of the producers and that the proponent of the amendment said that a minority could not accomplish the result. Usually when there is a convention it is composed of delegates selected by producers. This provision is for a convention of the producers themselves, and before operation as to any commodity can be put into effect there must be such convention called and held in every state where the majority of the producers of the particular commodity are not members of cooperative associations or organizations. The extent of this provision is not limited as to the amount of the commodity produced in any state. For instance, some swine is produced in almost every state; some wheat is produced in the majority of all states; some corn is produced in the majority of all states, and, regardless of the amount produced, each such state would have to hold a state convention of all the producers.

If all the producers attended the convention the expense which must be borne by them individually would be a tremendous addition to the operating cost, and if the majority of them did not attend the convention the deliberations would not represent the voice of the producers. If such relief as that contemplated by the general plan of this bill were desirable, it would be extremely unwise to hamper it with this most cumbersome and awkward provision, the compliance with which is made mandatory as a condition precedent to the operation of the law. It is impossible to see how such conventions of producers could ever be held. The bill does not say "delegates," it says "producers," the farmers themselves, and if a majority of them must meet in state convention, it is entirely unworkable.

Corn is a crop that varies between 2,500,000,000 and 3,000,000,000 bushels per year, and the normal export is very small. The reason, then, for operating this bill on corn would not grow out of the exportable surplus, but according to the definition in Section 6 (c) (2) would grow out of a surplus above the requirements for orderly marketing. The marketing of corn would include marketing to a purchaser to feed to cattle and hogs, so that a situation might arise where there would be a surplus above the requirements for orderly marketing. The act then could be put into operation as to corn under all the different kinds of agreements. But the vast expense of financing the operation of these agencies in the corn market would be charged not against the entire commodity, but against that part of the commodity which is used for milling or processing or that is transported by a common carrier. This, accord-

ing to statistics, amounts only to some 15 or 20 per cent of the corn produced.

That the equalization fee is not laid on the entire commodity is not apparent from a casual reading of the act. But a close study shows that Section 10 provides that there shall be paid "an equalization fee upon one of the following: The transportation, processing or sale of such unit." There is no other way to collect the fee. If that stood alone, then all the corn would be subject to the fee unless it were used by the raiser, but Section 15 (1) says:

> In the case of * * * corn, the term "processing" means milling for market of * * * corn or the first processing in any manner for market * * * of corn not so milled, and the term "sale" means the sale or other disposition in the United States of * * * corn for milling or other processing for market, for resale or for delivery by a common carrier * * *.

So, unless the corn is processed or sold for milling or other processing for market or is transported by common carrier, it is not subject to the equalization fee. But the great bulk of it which is neither processed nor transported by common carrier is free from the equalization fee.

The only figures in the debates with reference to corn are some estimates based solely upon exportable surplus, which really form no basis for the present proposed plan based on desire for orderly marketing and not for controlling the small exportable surplus. While it is difficult to estimate the burden of this equalization fee, which must be borne for the entire crop by this small proportion, the simplest calculation will show that the amount per bushel necessarily would be tremendous, so that the market for corn milling and other processing and for transportation would be entirely dislocated.

The provisions of the present measure with reference to an equalization fee on corn must not be confused with the other measures which have been proposed for the reason that former measures put the burden upon the entire crop, but this measure, in undertaking to place the duty of collecting payments on the processor, has reached this disastrous result. It is no answer to say that the corn producers would induce their advisory council and the members of the board from their land bank districts to exclude corn from the operation of this bill because the people who do not want to pay an equalization fee and on whom the burden does not fall are 80 or 85 per cent of the producers of corn.

It may be contended that since there is to be an equalization fee on swine the feeders would be taxed, but the swine and corn are separate units and have a separate stabilization fund, and under the law the fees on swine cannot be turned into the stabilization fund for corn.

In figuring the percentage of the corn crop upon which the fee would fall, while it is possible that the fee might fall on corn carried by a common carrier, it is doubtful whether any board would lay a tax on trans-

portation where the corn was being transported to be sold to feeders. If they did, of course, the result would be that to avoid the fee in most cases the seller would not transport by a common carrier.

It is not enough to say that the right to put the equalization fee on swine would adjust the inequalities between those bearing the burden and those not bearing the burden, first, because the board might commence operating as to corn and not desire to operate or be permitted to operate as to swine. However, much of the corn would be fed to cattle and live stock other than swine, and there is no right to bring the products of live stock other than swine under the provisions of the law.

With a requirement for a fee on part of the corn crop and no fee on the balance, the free movement and dealing in that commodity would be hampered to an almost unbearable extent. It would take a horde of inspectors to assure the payment of the fee on the particular corn required to bear it. A feeder of cattle who had the necessary machinery to grind or crush his corn bought from other farmers for feeding purposes would be able to market his cattle free from the cost of the equalization fee, while another feeder who purchased such ground feed would be compelled to market his cattle with the added cost of the equalization fee on the corn. This, of course, would be true as to swine; moreover, the feeder who had been compelled to purchase the ground feed would pay the fee on that, and when he sells his swine he pays an additional fee on that transaction. He pays twice.

It is provided in the law "the board shall determine in the case of any class of transactions in the commodity whether the equalization fee shall be paid upon transportation, processing, or sale." While this language is not very clear, a plan is set out by Representative Haugen, one of the co-authors of the bill, in the following language (Congressional Record, February 10, page 3528):

> For wheat on hand at the beginning of the operation period the board would undoubtedly have to collect on the processing. In the case of transaction during the operating period the board would pick either the sale or the transportation.

The act itself provides in Section 10 (b) the board may, by regulation, require any person engaged in the transportation, processing, or acquisition by sale of a basic agricultural commodity: "(1) * * * (2) to collect an equalization fee as directed by the board and to account therefor." Thus the common carrier if on transportation, or the processor if on processing, or those who secure by sale, if on sale, collect the fee which must fall on the producer. Transportation under the act means the acceptance of a commodity by a common carrier for delivery (Section 15 (5)). Regardless of just how it is collected it is the intent that it shall fall upon the producer. The farmer pays it when his product moves.

Thus the Senate report, page 23, says:

> The fees are imposed at the point of transportation, processing, or sale, as the board may determine. Their amount will, of course, be reflected in the price to the producer. * * * The committee bill, however, requires agricultural producers to meet their own losses with their own moneys. * * *

On page 25 it adds:

> Neither of the above effects of the fee constitutes price fixing. The producer or other person may sell for such price as he chooses. The buyer may pay such price as he wills. There is no limitation upon the price to be fixed by the contracting parties save that the equalization fee, just as a broker's fee, will be taken into account in arriving at the price to be paid.

It is important to bear in mind that the equalization fee can only be levied upon a unit of the basic agricultural commodity. This means the actual commodity itself as defined in Section 6, to wit, cotton, wheat, corn, rice, tobacco and swine. The reference in subdivision (h) of Section 6 to food products of the commodity specifically limits the application thereof of Sections (d), (e), and (f) of Section 6, which do not in any way relate to the equalization fee. All of the sections dealing with the equalization fee and all of the references to it clearly limit its application to the basic agricultural commodity itself, and they cannot lay a fee upon flour or other products of wheat, meal, or other products of corn, meats, or other products of swine.

While there may be some conceivable way of reaching an import of any of these agricultural commodities as such, there is no possible way of reaching any of these commodities after they are processed. The result would be to throw all of our processors and millers who would have to buy the commodity with the cost of equalization fee added into competition with imports from Canada or other countries who sent in any product of any of the basic agricultural commodities.

Of course, the millers or other processors who happen to get desirable contracts from the board might be able to recoup that loss to a certain extent, but the milling capacity of the small mills and large mills is great enough to take care of twice the amount of milling and other processing to be done, and the mills which were not fortunate enough to get such contracts would be ruined. It is a fundamental principle in writing a tariff law that when a duty is placed upon a raw product a compensatory duty must be placed on the manufactured or processed product in which the raw product is used. Here is a fee placed upon the raw product without an opportunity to place a like fee upon the processed product which might be imported. Raw products dumped abroad can there be processed and reshipped here to the disaster and destruction of this whole bill.

In fixing the amount of the equalization fee the board must neces-

sarily estimate the crop, because it is their duty to estimate the probable "advances, losses, costs and charges to be paid," and to determine the amount for each unit. Of course, they are compelled to estimate the crop in order to estimate the number of units. One of the co-authors of the bill suggests that if the law had been in operation from 1925 the equalization fee on wheat should yield $131,750,000.

I mention this to show the large sums involved. If either the estimate of the crop or the size of the fund needed should be inaccurate, so that there is collected many millions more than needed, there is no way to return it to the producer. Suppose there should be estimated an exportable surplus of 200,000,000 bushels of wheat and there is a surplus of but 100,000,000, the fund would be almost twice as large as it should be, and if the amount involved should be anything like that stated by Representative Haugen the board would have fifty-five or sixty millions more than needed of the farmers' money. There is no way to return it. Now, in the case of cotton there is provision that any excess that is accumulated for the stabilization fund shall be paid back to the producer.

This is contained in Section 10, Subdivision (3), and Section 11, Subdivision (e) as follows:

10 (3) In the case of cotton, to issue to the producer a serial receipt for the commodity which shall be evidence of the participating interest of the producer in the equalization fund for the commodity. The board may in such case prepare and issue such receipts and prescribe the terms and conditions thereof. The Secretary of the Treasury, upon the request of the board, shall have such receipts prepared at the Bureau of Engraving and Printing.

* * * * * * * * * * *

11 (e) When the amount in the equalization fund for cotton is, in the opinion of the board, in excess of the amount adequate to carry out the requirements of this act in respect of such commodity, and the collection of further equalization fees thereon is likely to maintain an excess, the board may retire in their serial order as many as practicable of the outstanding receipts evidencing a participating interest in such fund. Such retirement shall be had by the payment to the holders of such receipts of their distributive share of such excess as determined by the board. The account of the distributive share payable in respect of any such receipt shall be an amount bearing the same ratio to the face value of such receipt as the value of the assets of the board in or attributable to the fund bear to the aggregate face value of the outstanding receipts evidencing a participating interest in such fund, as determined by the board.

But there is no place in the law which provides for a return to the producer of other products where the assessment of the fee levies an amount in excess of that necessary for the stabilization fund. There is quite a large variance from year to year of the amount of production of these different basic agricultural commodities, and it is manifestly unfair to provide that as to cotton the producer shall share in any excess collected, while as to corn, wheat, swine, rice and tobacco no such provision exists.

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THE DEATH AND FINAL RESTING PLACE OF WOODROW WILSON

THE DEATH AND TOMB OF WOODROW WILSON

Like his Democratic predecessor in the Presidency, Grover Cleveland, by the time of his death Woodrow Wilson had risen above most of the unpopularity which had ushered him out of office. The illustration shows that fact graphically, for men and women sank to their knees before the ex-President's home on S Street, Washington, D. C., and prayed for his soul as his personal physician, Cary T. Grayson, broke the news that the end had come at last. Woodrow Wilson was buried in the Protestant Episcopal Cathedral outside of Washington, overlooking the heights of the Potomac and the Virginia hills, first in a temporary vault, then in the permanent abiding place shown on the opposite page.

In all the similar bills heretofore considered by Congress it has been thought necessary to provide for the return to all producers of any amount they should pay in excess of that required, and it is illogical and indefensible to deem it necessary to still make that provision for the cotton producer and deprive the other producers of that benefit. This appears to be the rankest kind of discrimination in favor of one crop and against all the other crops in the bill.

Another difficulty will be in making proper estimates of the amount of products and the amount of the equalization fee. It is improbable that this board could do any better in this respect than has been done by the Department of Agriculture. In spring wheat the estimates of the department have been 78,000,000 bushels too small and 90,000,000 bushels too large; in winter wheat, 126,000,000 bushels too small and 140,000,000 bushels too large; in corn, 430,000,000 bushels too small and 657,000,000 bushels too large. In cotton the range has been 2,983,000 bales too small for 1926 and 3,286,000 bales too large for 1918.

These are all recent estimates and show conclusively the impossibility of arriving at accurate conclusions. No rebates are allowed except on cotton. Any year therefore that a large corn or wheat crop is estimated which turns out to be too high too much money would be collected, and as it is not returnable it would result in so much loss to the farmer. If the crop were underestimated, the fee might not furnish a large enough sum to sustain the market on that particular commodity.

The main policy of this bill is an entire reversal of what has been heretofore thought to be sound. Instead of undertaking to secure a method of orderly marketing which will dispose of products at a profit, it proposes to dispose of them at a loss. It runs counter to the principle of conservatism, which would require us to produce only what can be done at a profit, not to waste our soil and resources producing what is to be sold at a loss to us for the benefit of the foreign consumer. It runs counter to the well-considered principle that a healthy economic condition is best maintained through a free play of competition by undertaking to permit a legalized restraint of trade in these commodities and establish a species of monopoly under Government protection, supported by the unlimited power of the farm board to levy fees and enter into contracts. For many generations such practices have been denounced by law as repugnant to the public welfare. It can not be that they would now be found to be beneficial to agriculture.

This measure is so long and involved that it is impossible to discuss it without going into many tiresome details. Many other reasons exist why it ought not to be approved, but it is impossible to state them all without writing a book. The most decisive one is that it is not constitutional. This feature is discussed in an opinion of the Attorney General, herewith attached and made a part hereof, so that I shall not

consider the details of that phase of my objections. Of course it includes some good features. Some of its provisions, intended to aid and strengthen cooperative marketing, have been borrowed from proposals that do represent the general trend of constructive thought on the agricultural problem. In this measure, however, these provisions are all completely subordinated to the main objective, which is to have the Government dispose of exportable surpluses at a loss and make some farmer taxpayers foot the bill. This is not a measure to help cooperative marketing. Its effect, on the contrary, is to eliminate the very conditions of advantage that now induce farmers to join together to regulate and improve their own business.

That there is a real and vital agricultural problem is keenly appreciated by all informed men. The evidence is all too convincing that Agriculture has not been receiving its fair share of the national income since the war. Farmers and business men directly dependent upon agriculture have suffered and in many cases still suffer from conditions beyond their control. They are entitled to and will have every consideration at the hands of the Government.

Surely, a real farm relief measure must be just and impartial and open the way to aid for all farmers. Surely, it must not contemplate, as this measure inescapably does, that farmers in some regions should be penalized for the benefit of those in other regions. Surely, it must be aimed to promote the welfare of the community at large. There is no thoughtful man who does not fully appreciate how vital a prosperous agriculture is to this nation. It must be helped and strengthened. To saddle it with unjust, unworkable schemes of governmental control is to invite disaster worse than any that has yet befallen our farmers.

It has been represented that this bill has been unanimously approved by our farmers. Several of our largest farm organizations have refused to support it, and important minorities in the members and leadership among the most important organization who are recorded as giving it endorsement have protested to me against it. It is not to be thought that the farmers of the United States want our agricultural policy founded upon legislation as is proposed in this measure. The final judgment of American farmers always has been and will be on the constructive rather than the destructive side. What the farmers want, and what the American people as a whole will approve, is legislation which will not substitute governmental bureaucracy for individual and cooperative initiative, but will facilitate the constructive efforts of the farmers themselves in their own self-governed organizations.

Although these arguments and others have been advanced in Congress and outside, I find little attempt has been made to answer them. The pressure for this bill arises primarily from the natural and proper sympathy with the farm distress from the after-war inflation specu-

lation and collapse. Many sincere and thoughtful people have expended a great deal of time and energy in working out this measure and are entirely honest and honorable in their advocacy of it. It is a great regret to me that I am unable to come to the conclusion that the bill would help agriculture, be of benefit to the country, and be in accord with the Constitution.

Other plans have been proposed in Congress for advancement in this recovery, which plans offer promise of sound assistance to the farmers without these unconstitutionalities, invasions of Executive authority, this contracting with packers and flour millers and other manufacturers, this overproduction with its inflation and inevitable crash, without this indirect price fixing, buying and selling, this creation of huge bureaucracies. They are, on the contrary, devoted entirely to the principle of building up farmer-controlled marketing concerns to handle their problems, including occasional surplus production, and applicable to all agriculture and not to a minor fraction. I have frequently urged such legislation. I wish again to renew my recommendation that some such plan be adopted.

I am therefore obliged to return Senate Bill 4808, entitled "An act to establish a federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities," without my approval. CALVIN COOLIDGE.

SPECIAL MESSAGE

[Appropriation for Participation in Disarmament Conference.]

THE WHITE HOUSE, *January 7, 1927.*

To the Congress of the United States:

In a message which I submitted to you on January 4, 1926, I recommended the appropriation of the sum of $50,000 to cover the expenses of American participation in the work of the "Preparatory Commission for the Disarmament Conference, being a commission to prepare for a conference on the reduction and limitation of armaments." By House Joint Resolution 107, approved February 1, 1926, you authorized the appropriation of this amount.

The preparatory commission met at Geneva on May 18, 1926. Its work has continued, through plenary sessions and subcommittee meetings, since that date. The task of the commission's subcommittees, to which was delegated the detailed study of many of the problems presented to it, has virtually been completed, and it is planned to hold another plenary meeting of the commission, probably in March, to consider the subcommittee reports. Although it is difficult to predict the exact duration of the forthcoming sessions, it can reasonably be

assumed that they will continue over a period of some months. It is the avowed purpose of the preparatory commission at the forthcoming meetings to evolve a definite agenda for a conference for the reduction and limitation of armament, which is, of course, the end to which the deliberations of the preparatory commission are directed.

I believe that the preliminary work has been useful, and that there is good reason to hope for concrete results from further meetings. Our representatives have consistently endeavored to play a helpful part and to direct the attention of the commission to the possibility of practical accomplishment.

I believe that we should continue to give our full coöperation to the work of the preparatory commission with a view to bringing about, as quickly as possible, a final conference, at which further steps may be taken to reduce and limit armaments.

The policy of this Government to favor measures which hold out practical hopes for the limitation of armament is firmly established. By continuing our hearty coöperation in the preparatory work, we shall be able to do our share in formulating an agenda for the final conference which will give promise of actual agreements for arms limitation.

The appropriation of $50,000, already made for this work has been exhausted. I therefore recommend that there be authorized further appropriation of $75,000 to cover the expenses of American participation in the forthcoming activities of the preparatory commission. I recommend this sum because, when the commission undertakes the actual drafting of an agenda, it may be necessary to send a considerable number of American representatives to insure adequate representation in all phases of the work. Since the exact requirements can not be foreseen, and will depend on developments, it appears wise to provide a sufficient appropriation to meet contingencies that may arise.

In relation to the form of the appropriation, the prices prevailing at Geneva and the nature of the responsibility devolving upon the members of the delegation make it important that their expenditures for subsistence be exempted from the restrictions imposed by existing law and be made discretionary with the Secretary of State.

CALVIN COOLIDGE.

By the President of the United States of America.

PROCLAMATIONS

[War Risk Life Insurance]

During the World War the United States Government insured, at an exceedingly low premium rate, nearly 5,000,000 members of the armed forces of the country against death or total permament disability. The

insurance thus granted was for the greater protection of the insured and their dependents than was afforded in the compensation, independently of insurance and unconnected therewith, which was provided for death or disability resulting from personal injury, or disease contracted in the military service.

Statutory provision was made for the continuance of this war risk insurance after the termination of the war, and its conversion within a limited time into such form or forms of insurance, usually issued by life insurance companies, as the insured might request. Many veterans do not seem to have had knowledge of this continuing privilege, and for one reason or another have permitted their wark risk insurance to lapse. Under the terms provided for the reestablishment of lapsed insurance, normal health conditions will permit reinstatement upon the payment of two monthly premiums; and for those whose service disabilities render them otherwise not insurable, and who are not permamently and totally disabled, provision is made for reinstatement upon the payment of premiums and interest for the period of lapse. Even these payments may be temporarily waived for those whose resources do not permit immediate compliance.

The law provides that no reinstatement of war risk life insurance which has lapsed shall be made after July 2, 1927. After that date, such war risk term insurance cannot be reinstated. On or prior to that date, therefore, such insurance must be reinstated and converted, at the election of the applicant, into one or more of the seven standard forms of life insurance provided by the Government. If such insurance is now in force, the insured must convert it into one of the forms above mentioned on or before the above date.

The potential protective value of the insurance thus provided is apparent, as affecting the future economic and domestic welfare of veterans and their dependents. Provision is made for extended insurance, paid up values, loan values, cash surrender values, and dividend participation. No premium is charged during total permanent disability, Thousands of our national defenders are passing on each year. All veterans of the World War should be generally and fully informed of their right to procure the safe and certain protection for themselves and their dependents of the insurance afforded by the Government.

Detailed information with reference to such insurance may be obtained from the Central Office of the United States Veterans Bureau, Washington, D. C., or from its Regional Offices located throughout the country.

Wherefore, I, Calvin Coolidge, President of the United States, do hereby designate the period January 31 to February 7, 1927, as a time during which special effort should be made to inform all veterans of the World War of the right they have to reinstate lapsed war risk life

insurance; and to convert it into United States Government life insurance; and, that all such veterans may, in some manner, be properly informed, I urge all citizens, particularly employers, the press, labor organizations, women's associations, professional groups and civic and patriotic bodies, to secure full information and use such means of informing the veterans as may be most effective.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 11th day of January, in the year of our Lord one thousand nine hundred and twenty-
[SEAL] seven, and of the Independence of the United States the one hundred and fifty-first.

By the President: CALVIN COOLIDGE.

FRANK B. KELLOGG, *Secretary of State.*

[American Forest Week, April 24-30, 1927.]

In accordance with the custom established by my predecessor, I have yearly proclaimed an American Forest Week. I do so again in the belief that no other of our internal problems is of greater moment than the rehabilitation of our forests, now so hopefully begun but needing the strong support of our collective will and intelligence. Through joint arrangement, Canada is observing forest week concurrently with us.

One-fourth of our soil is better suited to timber-growing than anything else. I can not escape the conviction that our industrial and agricultural stability will be strengthened by bringing into full productive use this great empire of land. Although much progress has been made in public forestry and hopeful beginnings in private forestry, we still have a vast aggregate of idle or semi-idle forest land, and another large aggregate of poor farm land that might more profitably grow timber instead of adding to the problem of agricultural overproduction.

Consider what blessings the use of this land for intensive forest culture would bring to our country. Our migratory forest industries would be stabilized and made permanent. Rural industry would be greatly strengthened and vitalized. Agriculture would find in silviculture a strong ally, providing markets for farm produce and for surplus labor. Our farms themselves contain nearly a third of our woodland—an enormous potential farm asset if handled for continuous timber crops. With widespread forest culture, new wealth would spring up for the support of roads, schools, and local government, and the rural regions would enjoy a larger share of the national prosperity. For some of our surplus capital now seeking investment abroad, new outlets would be found in forest production. Our people would then have an assured supply of timber and would see the hills and the waste places reclothed with forests for their pleasure and inspiration.

American Forest Week gives a useful opportunity for taking counsel on what can and should be done to bring these neglected and waiting lands into use. It also gives an opportunity for each citizen to consider his own responsibility in the common task. It is not enough that the Federal and State governments have joined hands with the landowner in the first step toward forest rehabilitation, protection against fire. Every citizen whose thoughtless act may endanger the woods has the obligation of respecting the forest and guarding it from its worst enemy, fire.

Now, Therefore, I, Calvin Coolidge, President of the United States, do hereby designate and set aside as American Forest Week the week beginning April 24 and ending April 30, in this year of 1927; and I do earnestly urge that during that week the thought of all citizens be directed to the need of preventing forest fires and to the measures necessary for the preservation and wise use of our forests. I recommend to the Governors of the several States that they likewise designate this week for special observance, and that where practicable and not in conflict with law or custom, Arbor Day be observed on some day of the same week. I urge that in each State special exercises be held in the schools and that the press and the general public give consideration to the forest needs of their respective commonwealths, to the adequacy of such legislation as may be on their statute books, and to the possible need for further enactments. And I urge that all who own forest lands give consideration to the feasibility of so using them that their benefits may continue in perpetuity.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this March 5, in the year of our Lord one thousand nine hundred and twenty-seven, and of [SEAL] the Independence of the United States of America the one hundred and fifty-first.

By the President: CALVIN COOLIDGE.

JOSEPH C. GREW, *Acting Secretary of State.*

VETO MESSAGES

[Shoshone Indian Bill.]

THE WHITE HOUSE, *January 28, 1927.*

To the Senate:

I am returning herewith Senate bill 2301, "An act authorizing the Shoshone Tribe of Indians of the Wind River Reservation in Wyoming to submit claims to the Court of Claims," without my approval.

The Fort Bridger treaty of July 3, 1868 (15 Stat. 673), set aside a reservation for the Shoshone Indians and for such other tribes as

the Shoshones might "admit amongst them," but also provided that no cession of any portion of the reservation should be valid unless a treaty for the purpose should be signed by a majority of the male adult Indians of the Shoshone Tribe. Afterwards the northern band of Arapaho Indians were located on the Shoshone Reservation.

The Shoshone Indians claim that a majority of the male adult Shoshones did not sign a treaty agreeing to the cession to the Arapahoes of a portion of the reservation; that the consent, if any, given by the Shoshones to the location of the Arapahoes on the reservation was for temporary occupancy only; and that the Shoshones have from time to time asserted that they should be compensated for the land occupied by the Arapahoes.

It might be fair to say that these contentions may be disposed of, it seems to me, by the fact that in 1896 and 1904 reservation lands were ceded by agreements signed by both the Shoshones and the Arapahoes which provided that the moneys received therefor should be divided between the Shoshones and the Arapahoes. Congress ratified these agreements, and they were carried into effect. Still, this objection might not be fatal.

But aside from the question of the merit of the claim the enrolled bill is objectionable because of the provision for the payment of interest from the date of origin of the claim. It had never been Government policy, prior to the Crow Indian jurisdictional act of July 3, 1926, to provide for the payment of interest from the date of origin of a claim. I am now satisfied that further departure from our former policy would be unjustified. It seems to me unreasonable to expect that the Government should be charged with interest from the dates of origin of such ancient claims. The amount of the interest under the enrolled bill is several times greater than the amount of the principal. Such an interest policy would inevitably mean that issues supposed to have been placed in the way of fair determination by jurisdictional acts of the past will come forward again for additional interest settlements far exceeding the amounts of the original claims. Should the item of interest be eliminated, I can now see no reason why the bill should not be approved. But if interest is to be allowed on this claim, it will certainly result in an effort to reopen an endless number of claims which have already been settled.

CALVIN COOLIDGE.

[Plebiscite in Philippine Islands on Independence.]

THE WHITE HOUSE, *April 6, 1927.*

My dear Governor:

In compliance with Section 19 of the Organic Law of the Philippine Islands, I return without my approval, "An Act to Hold a Plebiscite

of the People of the Philippine Islands on the Question of Philippine Independence." This bill reached me as provided by law and has received my careful consideration. The stated object of the bill is to put an end to frequent assertions in the United States that the people of the Philippine Islands do not want immediate, absolute and complete independence. To accomplish this it is proposed to hold a plebiscite of the people of the Islands in which the question to be voted on will be:

"Do you desire the immediate, absolute and complete independence of the Philippine Islands?"

The voter must vote categorically "Yes" or "No." Any other reply invalidates the ballot. The result of the vote having been ascertained, the Governor General is to transmit it to the President and Congress of the United States for their information. It should be noted that the object is to register a desire. There is no petition, and no change in status is contemplated.

There are undoubtedly many Filipinos who desire the immediate independence of their country but who also realize the necessity for the protection of the American Government for several years, if not indefinitely. Such persons must vote for independence under the formula prescribed or against independence. They are without means of expressing their views under the proposed plebiscite.

There are other Filipinos who treasure the hope of absolute independence of their country yet believe that the present system should continue until, in their opinion, they are able to take over the full control of their affairs and the consequent responsibilities, internal and external. Obviously such persons would hesitate to vote "no" on the proposed ballot, and yet qualification would invalidate the vote. There are many Filipinos who believe that the United States is the best judge of the appropriate relations of the Islands to the United States. Such persons have no means of expressing their views in the proposed plebiscite.

Independence is a very appealing word. Few people will vote against independence for themselves or against independence for anybody else. To submit to a man the question whether he desired to be independent, or not, is really trifling with the sacred feelings innate in humankind, and to submit it in a way which would forbid the possibility of other than a "yes" or "no" answer is obviously not the way to secure a convincing reply. Not unnaturally, no adequate provision is made to obtain an expression of the desires of the non-Christian population. No conclusive reason is given why the result of this vote would be more convincing than that of the elected representatives of the people in the Legislature.

It may fairly be stated then that the result of the vote would not be convincing and would not put an end to the assertions frequently made that the people of the Philippine Islands do not want immediate, absolute

and complete independence. The holding of a plebiscite might raise expectations or excite apprehension in the Philippines, if the vote is favorable to complete and immediate independence, that appropriate steps will be taken to grant it. It is not desirable needlessly to create such apprehension or raise such expectations. Submitting to the vote of the people the question of independence, unless such action is requested by the Congress of the United States, can be but disturbing to good relations. The holding of the plebiscite would involve a considerable expenditure on the part of the Philippine Government, its provinces and municipalities.

I have heretofore had occasion to say that the disapproval of a bill of the Philippine Legislature by the President of the United States is a serious matter and should be determined on after serious consideration. It, therefore, seems fitting that, in addition to pointing out the defects of the proposed legislation in its form and present intent, I should go somewhat into the underlying reasons and explain why I believe the entire discussion of the question of immediate or proximate absolute independence is untimely, because surely one cannot avoid the thought that the passage of this bill was the result of the agitation on this subject.

In a letter dated February 21, 1924, to the speaker of your House of Representatives I set forth, with a frankness which I believed justified by the then existing conditions, why the Government of the United States would not feel that it had performed its full duty by the people of the Islands or discharged all of its obligations to civilization if it should yield to the Philippine aspiration for national independence. In that letter, while recognizing the progress of the people of the Philippines in education, in cultural advancement, in political conceptions and institutional development, I did not point out—it was not pertinent to the subject then under consideration—the extent to which this progress has been made possible by the material assistance given to the Islands by the United States.

Unless and until the people and their leaders are thoroughly informed of this material assistance and have a fair appreciation of what its withdrawal means, a vote on the abstract question of independence would be not only futile but absolutely unfair to them, and the acceptance of the result as an informed judgment would be dangerous to their future welfare. This phase of the question has not received careful consideration in the Islands because of the misapprehension which seems to be quite general there that America, even though she granted full autonomy to the Islands, would still assume the heavy responsibility of guaranteeing the security, sovereignty and independence of the Islands. In my opinion this is wholly erroneous. Responsibility without authority would be unthinkable. American defense is a correlate of American sovereignty, not of foreign sovereignty. Where there is no sovereignty

there is no obligation of protection. The best security to the Philippine Islands is the protection of and by the United States.

The people of the Philippines should not consider this momentous question with the mental reservation that the present advantage of American sovereignty could be secured by convention or through sympathy, though the sovereignty were relinquished. Freed from this illusion, the people and their leaders should thoroughly ponder the advantages which they have received from their connection with America and attempt to depict the situation which would result from the withdrawal of the benefits which they are now receiving from the United States.

While these material advantages are by no means the most important consideration which should influence our judgment, yet they must be always kept in mind, as government is a practical business which depends largely for its success on sound common sense rather than high-sounding phrases. By far the greatest advantage in an economic way of their present relation to the United States comes to the Islands through the present trade relations. Congress has provided that taxes and customs duties collected in the United States on Philippines products be turned into the Philippine Treasury. This has meant in the past ten years a direct gift of approximately $800,000 per annum. The admission of their products, free of duty, into the American market is, however, a far more valuable privilege. There is no reciprocal measure which the Islands could give that would compensate for this privilege. The advantages accrue directly to the people of the Islands and, indirectly, to the Government in the increased revenues. The advantages are constantly increasing and will continue to increase with the development of their productive capacity.

In the calendar year 1926 over 70 per cent of the exports of the Philippine Islands were sold in the United States. If the tariff advantages were removed, as undoubtedly they would be if the Philippines were granted independence, but a small part of these exports could enter the American market paying full duty. Foreign markets are now open to the Philippines, but less than 30 per cent of their export products go to foreign markets, and these are, in general, raw products which have required but a minimum employment of labor, and that the cheapest labor in the Islands. Unless produced under conditions which would mean a material lowering of wages and the standard of living, many of the products now exported to the United States could not be absorbed by any foreign market.

Until production in the Philippines is on a more assured basis and until ample capital is available in the various agricultural and industrial fields, it is not conceivable that the Philippine products now entering the American market and commanding consequent high prices could compete on an equal footing with foreign products in the foreign markets. It

should be observed that under existing conditions, with the advantages of the American market, capital is attracted but slowly, with the consequent slowness in use and development of labor.

It is believed that it is well worth being somewhat detailed to bring out exactly what the loss of the American market would mean to the Philippines. In the calendar year 1926, 761,000,000 pounds of sugar were imported into the United States from the Philippine Islands. The duty waived on this sugar was slightly less than $17,000,000. Of this, $13,000,000, approximately, accrued to the producers of sugar in the Philippine Islands in the increased price thereof. The large producers of sugar appreciate this. In September, 1926, at a meeting of the Philippine Sugar Association, its President, Rafel Alunan, is quoted as saying:

> It can be said that, due to the adverse local conditions and to the enormous world production, our industry only exists because of the tariff protection of the United States. If for some reason that protection disappears, the sugar industry of the country will perish, unless from now on we prepare ourselves to compete with Java, which, with her cheap labor and intensive methods of cultivation, can produce sugar at an incredibly low cost.

In the calendar year 1926, Philippine cigars to the value of $5,047,000 were admitted to the United States free of duty. The granting of this privilege meant the waiving of $14,857,000 customs duties. It is well known that no Philippine cigars could enter the United States market paying the customs duty imposed on foreign cigars. Approximately 80 per cent in value of the Philippine cigars exported came to the United States. This problem which would be presented, on the ending of the present trade relations with the Islands, of finding a market for these cigars would be solved only at a great sacrifice to the tobacco industry. While due to lack of capital and to natural conservatism, the Philippines have by no means taken full advantage of the opportunity offered by the American market, yet there are a few industries—not inconsiderable when compared with the industries of the Islands—the very existence of which is the result of the open market of the United States.

In 1926 there was imported into the United States from the Philippines cocoanut oil to the value of $22,000,000. The duties waived on the entry of this oil amounted to $4,900,000. During the same year desiccated cocoanut to the value of $2,682,000 was imported into the United States from the Islands, on which a duty of $1,010,000 was waived. Cotton wearing apparel to the value of $5,400,000 was admitted during the year on which a duty of $4,000,000 was waived, and laces to the value of $368,000, on which duty amounting to $276,000 was waived. Briefly, there was waived on Philippine products entering the United States duty amounting to $42,000,000.

The total exports of the United States to the Philippine Islands for

the year being considered amounted to $71,500,000, and on those products entering the Islands duty of approximately $12,800,000 was waived. In other words, the duties waived by the United States exceeded the duties waived by the Philippines by nearly $30,000,000.

Do the people of the Philippines realize the effect of these economic facts, and do they appreciate what would be the effect on their progress, their standard of living, their general welfare, of the abolition of the present trade relations?

Reference is sometimes made to the possibility of overcoming these losses by trade conventions or other methods, but no independent country has ever secured similar advantages. No other territory subject to our jurisdiction has the free entry to our markets and at the same time the rights, under certain conditions, to lay its own tariff on goods imported from countries other than the United States. It is argued that the United States would also lose by any change in trade relations. It should be remembered, however, that the United States exports to the Philippines constitute less than 2 per cent of her total exports, while Philippine exports to the United States are 70 per cent of the total exports.

The Philippines must sell its products abroad. It is by no means independent of foreign goods. It must meet its obligations abroad. The United States has endeavored to create in the Islands a situation profitable alike to capital and labor. This is essential if the present progress of the islands is to be kept up. It also holds out the reasonable hope for a day when the agriculture and industries of the Islands may produce so efficiently as to compete in the markets of the world without the sacrifice of standards of living which have been created by the present great aid extended by the United States. There is no reasonable doubt that the coming of this hoped for day is delayed more by agitation for a curtailment of the period of preparation than by any other single factor. The public works, marking outwardly the development of the Islands, were in a great degree, as is customary, built with borrowed money. The bonds of the Philippine Government have been made tax-exempt in the United States and have been given certain other advantages as the result of which the Philippine Government has borrowed its money at a rate of interest at least 3 per cent lower than money could have been borrowed by an independent government in the Philippines, if indeed it could have borrowed these sums at all. This means, conservatively, that the Philippine Islands is paying $2,000,000 annually less interest on its present indebtedness than it would pay but for its dependence on the United States and the credit that that relation gives to the Islands.

In 1926 the United States spent in the Philippines in the upkeep of the army, navy and other services the sum of $14,500,000, or over 10 per

cent of the value of all Philippine products sold abroad. This amount would also be lost to the Philippines if independence were granted. Under American sovereignty there has been steady progress in the introduction of a common language throughout the archipelago. There has been a continuous development and extension of highways, and, to the degree justified by business, an increase in interisland means of communication. There has been, in short, a gradual but persistent effort to bring the peoples of the islands together. This effort has not as yet attained its object. The peoples are still in a marked degree isolated from each other. A common language is still a hope rather than an existing fact. There is still resentment at the employment of officials not native to the community, a resentment which, in certain cases, intensified by difference of religion and lack of free communication, becomes open hostility. This situation has created difficulties for the present Government and conceivably might lead to the destruction of a government of the Islands left to its own resources.

The resources of the Islands are still in great number undeveloped. The land, however fertile, is idle. Surrounded by large countries with pressing problems of overpopulation, can it be hoped that the present immigration control could be maintained by an independent Government?

I have dwelt at length on the economic difficulties which would be encountered by an independent Government in the Philippines, not because there are necessarily the greatest difficulties but because they are those that may be most readily appreciated and about which there can be the least controversy. Furthermore, I have heretofore referred to the other difficulties of an internal and external political character. Such a Government, crippled by the direct loss of revenue, by increased interest rates on loans, and by the paralyzation of its industries, would be called on to incur the added cost of keeping up a diplomatic service, army, navy and other features of sovereignty. It is obvious that the revenues of the Islands would be totally inadequate to maintain a separate Government.

These are but a few of the problems which would arise from a status of independence and which should be seriously considered by the people of the Philippines. In noting the constructive advance which they have made on the road of progress under the American flag, the blessings of peace, security, hospitality, liberty and opportunity that they have enjoyed, they should not lose sight of the fact that without the material aid extended to them and which they still need these conditions could not have existed.

The standards of living have been raised, a splendid educational system established, the fundamental rights of the people preserved. They have the rights and privileges of American citizens without the obligations. They pay no Federal taxes, are exempt from the exclusion provisions

of our immigration laws, do not pay for the defense or diplomatic services.

They are represented in the United States by their own chosen representatives, who are paid by the United States. In the Islands the officials of the municipalities are exclusively Filipinos, as are the officials of the fully organized provinces. In the central Government the Legislature is made up entirely of Filipinos and possesses powers which no Legislature has in this country. The lower judicial officers are all Filipinos. The Judges of first instance, with but few exceptions, are Filipinos, and of the Justices of the Supreme Court four of the nine are Filipinos. The Chief Justice is a Filipino. Of the heads of the executive departments, six in number, five are Filipinos. The Attorney General is a Filipino. Prosecuting attorneys throughout the Islands are Filipinos. The personnel of the bureaus of civil service, treasury and commerce and industry is entirely Filipino, and of the Bureau of Customs and Bureau of Posts is more than 99½ per cent Filipino. The American officials are but 1½ per cent of the total in the Government.

With a condition of peace, progress and prosperity hitherto unknown in their history, with self-government largely attained, with advantages enjoyed in many cases greater than those of American citizens, the people of the Philippines may well reflect seriously before wishing to embark on the unchartered stormy sea of independence, surrounded by unknown danger, in a craft ill-fitted for the difficulties to be met. Independence is an intangible ideal which has often brought disillusionment and disaster in its train. Peace, progress, prosperity, security, liberty and freedom are tangible benefits not lightly to be cast aside. The foundation of our policy has ever been the welfare of the people of the Philippines. That is today our constant goal.

The United States assumed its burden of responsibilities in the Philippine Islands, not in a spirit of aggression, of avarice, of exploitation, but with a sincere desire to promote the best interests of the people of the Islands. In that spirit it has guided them on the road of progress. It cannot, if it would, avoid the obligation of deciding the degree of self-government which the people of the Philippine Islands are capable of sustaining at any given time. The responsibility, both to the Philippine people and to civilization, is there. It cannot be shifted.

The ability of a people to govern themselves is not easily attained. History is filled with failures of popular government. It cannot be learned from books; it is not a matter of eloquent phrases. Liberty, freedom, independence are not mere words the repetition of which brings fulfillment. They demand long, arduous, self-sacrificing preparation. Education, knowledge, experience, sound public opinion, intelligent participation by the great body of the people, high ideals—these things

are essential. The degree in which they are possessed determines the capability of a people to govern themselves. In frankness and with the utmost friendliness, I must state my sincere conviction that the people of the Philippine Islands have not as yet attained the capability of full self-government.

How can this ultimate goal best be obtained? Certainly not by constant agitation and opposition. That policy but stands in the way of progress. In government as in social relationships "liberty exists in proportion to wholesome self-restraint." Demonstration of the ability to carry on successfully the large powers of government already possessed would be far more convincing than continued agitation for complete independence. Power brings responsibility to the people of the Philippines as well as to the people of the United States. Friendly coöperation in promoting the welfare of the Philippine Islands should be our constant aim. Along that road alone lies progress.

I am forced to return this bill without my approval, for the following reasons:

The plebiscite, under conditions provided or, in fact, now possible, would not accomplish the stated purpose. The result of the vote would be unconvincing.

It might create friction and disturb business, slowing down progress.

It might be taken to mean its approval by the United States or as an act likely to influence the United States.

Finally, I feel that it should be disapproved because it is a part in the agitation in the Islands which, by discouraging capital and labor, is delaying the arrival of the day when the Philippines will have to overcome the most obvious present difficulty in the way of its maintenance of an unaided government.

The people should realize that political activity is not the end of life, but rather a means to obtain those economic, industrial and social conditions essential to a stable existence. A plebiscite on the question of the immediate independence would tend to divert the attention of the people toward the pursuit of more political power rather than to the consideration of the essential steps necessary for the maintenance of a stable, prosperous, well-governed community.

I therefore return the bill without my approval.

CALVIN COOLIDGE.

ADDRESSES

[On Difficulties with Mexico, Nicaragua and China. Before United Press, in New York City, on April 25, 1927.]

Members and Guests of the United Press:

The gathering and the distribution of news have long since ceased to be a local and individual occupation. They have become identified

FRANK L. POLK,
Acting Secretary of State of
the United States of America.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

KNOW YE, That the Congress of the United States at the second session, sixty-fifth Congress begun at Washington on the third day of December in the year one thousand nine hundred and seventeen, passed a Resolution in the words and figures following: to wit --

JOINT RESOLUTION
Proposing an amendment to the
Constitution of the United States.

RESOLVED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED (TWO-THIRDS OF EACH HOUSE CONCURRING THEREIN), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution:

"ARTICLE --.

"Section 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for

beverage

FACSIMILE, PROCLAMATION OF 18TH AMENDMENT,
FIRST PAGE

with great organizations having their representatives in all parts of the country and their publications in every important center. This service could only be performed by a mutual exchange of the most inclusive nature. How rapid and complete has been the growth of these organizations is exemplified by the United Press, which is now celebrating its twentieth anniversary. In that short space of time it has spread far and wide over North and South America and become an instrument of both national and international publicity.

This growth and power of the press carries with it great obligations. It is axiomatic that a free press can exist only in a free country. One of the first efforts of all kinds of absolutism is to control the press and the schools as the sources of information and education of the people. Where the press is free, as it is in our country under the guaranties of the national and state Constitutions, it has a reciprocal duty of its own to perform toward the administration of the Government, of giving true reports to the people of the actions of public officials. To do otherwise would be to establish a petty tyranny of its own. In America the general sources of information are so numerous and on the whole so correct that any publication which constantly misrepresents very soon becomes marked as unreliable and loses its influence both for good and for harm.

It is natural that the press should represent the character of the government under which it lives and of the people which it serves. I have come to have a profound regard for the American press because it represents America. In the accuracy of its reports, the intelligence of its comments, and the freedom of its actions, I know of no other country where it is surpassed. There ought to be a deeper realization of these conditions on the part of those who are responsible for the conduct of our press which should be reflected on their part in a more intense and genuine Americanism. If you lived under some jurisdictions your news would be garbled and unfair, your editorial comments would be dwarfed and prejudiced, your conduct would be cramped and limited. Because America is what it is, you are what you are. Your own independent and exalted position fully demonstrates that this country is worthy at all times of your service and your support. Whenever any section of our press turns on America and on American institutions, and assumes a foreign attitude, every informed person knows that it has fallen from the high estate which is our common heritage, and becoming no longer worthy of regard is destined to defeat and failure. No American can profit by selling his own country for foreign favor.

The policy that our nation is trying to promote throughout the world is one of peace and good will based on a better understanding through justice and fair dealing. It is perfectly apparent that there are three main elements on which we rely to advance this cause. First is the

national Government as it comes into contact through its duly constituted officers with the governments and people of other countries. I doubt if the belief exists in any informed quarter that this a belligerent Government desirous of oppression or bent on conquest. Our whole history and tradition, the moderation of our military establishment and the general attitude of our people, would altogether disprove any such assumption.

Another very important consideration is that of trade and commercial relations. While a certain number of foreign people come to this country to transact business without intending to make this their permanent home, their number is negligible and any difficulty arising from their presence here is almost unknown. They have practically every advantage and every protection that is afforded to our own citizens. Of their conduct on the whole we have had little to blame and much to praise. In the past foreign interests have had investments in this country running into several billions of dollars. Being made at a time when we had insufficient capital to develop our own resources, such investments were most helpful in building our railroads, opening our mines, and supporting our manufacturing. As we have come into the possession of surplus capital we have shown an increasing disposition to extend this same kind of service to other countries. Our people have gone abroad with their investments, their technical skill and commercial ability, to assist in opening up undeveloped countries.

This is the natural play of the forces of civilization. It is the result of natural and commendable enterprise which carries with it the same kind of benefits and advantages to the other people which we ourselves formerly received from abroad. It is the method by which the more prosperous and improved portions of the earth help to bring these advantages to the less fortunately circumstanced. This policy is distinctly one that is in harmony with the law of service. In principle it is the method by which stronger communities minister to weaker communities. But these operations must be carried on with justice and humanity. They must not be permitted to sink to the level of mere exploitation. They do not justify a seizure, which is virtually by force, of the natural resources of foreign countries or the failure to give fair compensation for their labor. A just attitude in these respects by Americans when they engage in enterprises abroad will do very much to determine whether our country is able to maintain the respect and friendship of foreign peoples. Unless this course is pursued, unless this attitude is maintained, all the support which our Government could give would fail to make these foreign enterprises successful. Unless they rest on justice and fair dealing they are bound to fail.

A third factor exists which is in the long run more important than any other. A condition of understanding and good will among the

people of the earth is very largely a state of the public mind. It is almost inconceivable that nations which have maintained friendly relations should all at once find themselves at war with each other. Armed conflict arises from a long series of misunderstandings and abuses which suddenly flare up on some unexpected provocation. Open hostility does not break out unannounced. It is a growth of long and assiduous cultivation. It can not be doubted that people as a whole desire peace. They can not long secure it if they are constantly harboring feelings of hostility. It is for these reasons that the public press, especially the daily newspapers and weekly periodicals, has such an enormous influence in creating a situation that brings the blessings of peace or is fraught with the perils of war.

There are two attitudes that the press may take which distinctly endanger our friendly relations. If they do not bring us to the verge of conflict, they are injurious to our trade. One is the constant criticism and misrepresentation of foreign people. Human nature provides sufficient distrust of all that is alien, so that there is no need of any artificial supply. The world is in far more danger from nations not trusting each other enough than from their trusting each other too much. A press which is given over to a narrow and bigoted nationalism, accompanied by misrepresentations of other countries, not only misinforms and misleads the people at home but produces the reaction of a rankling bitterness abroad. An almost equally harmful attitude is the other extreme. It usually consists of malicious and misleading partisan attacks on the conduct of our own Government in its efforts to defend American rights when they are threatened or invaded in foreign countries. Our Government has usually been too remiss, rather than too active, in supporting the lawful rights of its citizens abroad. That has been so long our established policy that it is rather difficult to conceive it assuming a truculent and arrogant attitude. But when it is proceeding with moderation, attempting by peaceful negotations to adjust differences, defending the rights of its citizens, and maintaining national dignity, great care is necessary to give the public the exact facts and avoid the appearance of seeming to support the position of foreign governments. When such an attitude becomes known in the offending country, it is widely quoted there and, when all other arguments have been answered, becomes their chief reliance for maintaining their position. It not only furnishes ammunition for our adversaries, but attacks our own forces in the rear. An American press which has all the privileges which it enjoys under our institutions, and which derives its support from the progress and well-being of our people, ought to be first of all thoroughly American.

Progress and civilization have always depended upon effort and sacrifice. We have set up our institutions, established our ideals, and

adopted our social standards. We believe that they are consistent with right and truth and justice. We live under a system that guarantees the sanctity of life and liberty through public order and protects the rights of private property under the principle of due process of law. We have thrown every possible safeguard around the individual in order to protect him from any invasion of his rights even by the Government itself. It is peculiarly an American doctrine, now usually accepted in principle if not adopted in practice by all civilized countries, that these are inalienable rights, that they ought to belong to all persons everywhere, and that it is the chief function of government to provide instrumentalities by which these rights can be secured and protected. We have adopted these ideals because we believe that they are of universal application and square with the eternal principles of right. But we may as well realize that they will not continue to prevail unless we are prepared constantly to put forth great efforts and make large sacrifices for their support.

While we have not been willing to assume any general attitude of crusading toward other nations, and realizing that institutions can not be bestowed but must be adopted have left them for the most part secure in their right to work out their own destiny, yet we have always been willing to encourage and assist, in so far as we could in harmony with international law and custom, other people in securing for themselves the benefit of these principles and ideals. In that conflict between freedom and despotism, which is as old as humanity, and which constantly recurs in one form or another, both among ourselves and among other people, it has always been the policy of this Government to extend its sympathy and, in so far as it lawfully could, its support to the side of freedom.

These are some of the standards which it has been the policy of our Government to support among its people at home and in its dealings with other nations. While it is well-established international law that we have no right to interfere in the purely domestic affairs of other nations in their dealings with their own citizens, it is equally well established that our Government has certain rights over and certain duties toward our own citizens and their property, wherever they may be located. The person and property of a citizen are a part of the general domain of the nation, even when abroad. On the other hand, there is a distinct and binding obligation on the part of self-respecting governments to afford protection to the persons and property of their citizens, wherever they may be. This is both because it has an interest in them and because it has an obligation toward them. It would seem to be perfectly obvious that if it is wrong to murder and pillage within the confines of the United States, it is equally wrong outside our borders. The fundamental laws of justice are universal in their application.

These rights go with the citizen. Wherever he goes these duties of our Government must follow him.

It is all right to say that when our citizens enter a foreign country they should do so with the understanding that they are to abide by the laws of that country. They should, and they do, and our Government would be the last to interfere in the just application of the law of his domicile to our citizens. But this is only a partial statement of the case. The admission of our citizens within their territory is a voluntary act of foreign governments. It is a tacit invitation. When we permit foreigners to come here, and when other countries admit our citizens, we know and they know that such aliens come and go not only under the rights and duties imposed by domestic law, but also under the rights and duties imposed by international law. There is nothing unfair, nothing imperialistic, in this principle. It has been unversally adopted and recognized as right and just and is the only reasonable method by which enlightened humanity can safeguard friendly intercourse among the citizens of different nations. This policy has been adopted in furtherance of the humanitarian desire for a universal reign of law.

These principles are involved in some of the difficulties that we have recently been trying to work out with foreign nations, especially with Mexico. We have had claims against that country running over a long series of years, growing out of the death of many of our citizens and the loss of their property, running into hundreds of millions of dollars. A very considerable portion of these cases has been due to revolutionary activities and other forms of public violence. Public order has never been entirely complete in that country. But lately our difficulties have been increased by the enactment of laws by the Government itself, which we feel threaten the virtual confiscation of the property of our citizens, even where their holdings are under titles which have been established for scores of years.

In 1857 Mexico adopted a constitution. In its relation to the protection of acquired property it provided ample security. Under its terms many of our people acquired holdings both through individual and corporate ownership. During the more than thirty years of President Diaz we were especially encouraged to make investments, to promote all kinds of development of the natural resources, transportation, and industries. After he was driven from office by revolution much disorder existed, with Presidents following one another in rapid succession.

In 1917 a new constitution was adopted with provisions affecting agricultural, mining, and oil lands, which we thought threatened the holdings of our nationals with confiscation. Their constitution is not self-enforcing, but requires the promulgation of laws to put it into effect. While this was in process of being brought about a government

was established which we did not recognize. In 1920 General Obregon was chosen President and sought recognition. In negotiations for that purpose it was repeatedly pointed out that we feared that the new constitution, although one of its provisions expressly prohibited the enactment of retroactive laws, might be interpreted as retroactive in its effect upon the holdings of real estate which our people had secured prior to its adoption. We sought assurances from the Mexican Government that such was not the case. In order to prevent misunderstandings we sent two commissioners to Mexico City in 1923 to confer upon this subject, and also on the question of our claims, with two Mexican commissioners. Charles Beecher Warren and John Barton Payne represented our Government. They had a series of conferences and kept written records of their proceedings, in which are set out the recommendation for the appointment of two claims commissions and the understanding that the constitution of 1917 was not to be given retroactive or confiscatory application. These records were duly signed and attested by the commissioners and were submitted to the President of Mexico and the President of the United States for their mutual approval, which was given. It was solely because of our understanding secured in this formal way that our property rights would be respected, that recognition of the government of President Obregon was granted on September 3, 1923.

During the winter of 1924 revolutionary activities started in Mexico which it seems probable would have succeeded in displacing President Obregon had not our Government furnished him with arms and ammunition largely on credit and given him the advantage of our moral support. Our help maintained his position. Soon after President Calles came into power he and the Mexican Congress proposed laws and regulations which we deemed threatened confiscation of American property. To prevent the appearance of acquiescence we so notified Mexico prior to the passage of such laws. Nevertheless they were passed. We have made further protest against their being put into effect, as they are contrary to our understanding of the conference as a result of which we granted recognition. In the notes which have been received the government of President Calles refuses to be bound by what we thought was the understanding arrived at with President Obregon. We closed the correspondence by notifying the Mexican Government that we stood squarely on the understanding made with President Obregon and we expected it not to take any action that would deprive American citizens of their property or their property rights.

Agricultural lands have apparently been seized from time to time for which no compensation has yet been made. While there have been threats to seize oil property, no such seizures have lately been

made, and suits are now pending in Mexican courts to restrain such seizures. Former decisions of their courts are relied on to support these suits.

Stripped of all technicalities and involved legal discussion, this is the main difference which our Government has with the Mexican Government. We do not question their right to take any property, provided they pay fair compensation. With their efforts to secure a division of great estates, so that more of their people may be landowners, we have every sympathy. We have even agreed that our Government would accept the bonds of the Mexican Government in payment for damages awarded by the commission for land taken for this purpose. Of course, we do not want any controversy with Mexico. We feel every sympathy with her people in their distress and have every desire to assist them. That they welcome conditions under which life and property are secure is shown by the hundreds of thousands of them who are coming to the United States, where, through their industry, they thrive and prosper. Under these conditions small land holdings would develop in Mexico as they have developed here. Those of her citizens who preferred to seek employment in industry, like many of our own people, would have an abundant opportunity in their own country. Instead of desiring to pursue any aggression or to take part in any oppression, we are endeavoring through most friendly offices to demonstrate to their Government that their attitude in relation to property will not only result in the economic disadvantage of their own people, by preventing the investment of outside capital so necessary for their development, but will greatly impair their friendly relations with other interested nations.

It is a cardinal principle of law that private property should not be taken without fair compensation. This principle is declared in our national Constitution and in those of all our States. I know of no written constitution that does not contain a similar provision. Under the constitution of 1917, and by-laws and regulations for carrying it into effect, we feel that Mexico is threatening to disregard this great elementary principle by undertaking a retroactive application of their constitution to property of our citizens acquired long before their constitution was adopted.

The Senate recently passed a resolution supporting the protection of American life and property and suggesting resort to arbitration. We have at present two commissions of arbitration with Mexico, and the principle of arbitration has always been strongly advocated by our Government. Everybody favors arbitration when the question at issue is arbitrable. Under the present circumstances I can see grave difficulties in formulating a question which the two Governments would agree to submit to such a tribunal. The principle that property is not to

be confiscated and the duty of our Government to protect it are so well established that it is doubtful if they should be permitted to be questioned. Very likely Mexico would feel that the right to make a constitution and pass laws is a privilege of her sovereignty which she could not permit to be brought into question. It has therefore seemed that we are more likely to secure an adjustment through negotiation. I am glad to report that the Mexican ambassador has recently declared to me that she does not intend to confiscate our property, that she has shown diligence in capturing and punishing those who have murdered our citizens, and expressed the wish, which we so thoroughly entertain, of keeping cordial and friendly relations. With a strong sentiment of this nature, which, I am convinced, animates the people of both countries, it will surely be possibly to reach an amicable adjustment. Our two peoples ought so to conduct themselves that there will never be any interference with our ancient ties of friendship.

Our relationship to Nicaragua I have set out in detail in a message to the Congress. For a dozen years we kept a force of marines in that country at the earnest solicitation of its Government. During this time the people were peaceful, orderly, and prosperous, and their national debt was greatly reduced. Almost at once after I withdrew the marines revolution was started. Finally a President was designated by the Congress which appeared to us and to other Central American countries to have a constitutional title and we therefore recognized him. As the disorders continued, on his representation that he was unable to protect American lives and property, I sent a force of marines for that purpose. Their presence has undoubtedly prevented the larger towns from being pillaged and confined the fighting for the most part to uninhabited areas. We have sold arms and ammunition, as we did in the case of Mexico, to the Nicaraguan Government. The revolutionary forces appear to have received arms and ammunition from some source in Mexico. With a hope that we might be furnished with information which would better enable us to deal with the situation, I have sent Henry L. Stimson, former Secretary of War, to that country. Meantime, it is reported that the Government forces have been apparently successful in driving the revolutionists from the field.

In addition to the private property of our citizens, which is employed in lumber and agricultural operations, our Government has secured the right to construct a canal and establish a naval base, for which it paid $3,000,000. Contrary to the general impression, there are no oil properties in this country. Nevertheless, I have seen cartoons that pictured it as filled with oil derricks. Our country consumes vast quantities of oil and gasoline in its use of automobiles, gas engines, and oil-burning furnaces. If these products are to be kept within a reasonable price, which is very important to a great body of our citizens,

our people who go abroad to develop new fields and to increase the supply ought to have the encouragement and support of our Government. We are not making war on Nicaragua any more than a policeman on the street is making war on passers-by. We are there to protect our citizens and their property from being destroyed by war and to lend every encouragement we can to the restoration of peace. While the destruction of life and property has been serious enough, had it not been for the presence of our forces it would undoubtedly have been much worse.

Toward the governments of countries which we have recognized this side of the Panama Canal we feel a moral responsibility that does not attach to other nations. We wish them to feel that our recognition is of real value to them and that they can count on such support as we can lawfully give when they are beset with difficulties. We have undertaken to discourage revolutions within that area and to encourage settlement of political differences by the peaceful method of elections. This policy is bound to meet with some discouragements, but it is our hope and belief that ultimately it will prevail. This territory is rich in natural resources and under orderly governments is capable of a development that will give to its inhabitants all the advantages of modern civilization. It is a curious circumstance that some of those who have been willing to have us take mandates over far-off countries in Asia, where we have no interest that does not attach to all humanity, are most critical when we are attempting to encourage the maintenance of order, the continuity of duly established government, and the protection of lives and property of our own citizens under a general reign of law in these countries that are near at hand and where we have large and peculiar interests.

Another important problem in our foreign intercourse relates to China. That country is undergoing a revolutionary convulsion. It is broken up into several separate parts, each claiming to represent a government, none of which we have recognized. Our main difficulty here is the protection of the life and property of our citizens. We have many missionaries there and some commercial establishments. We have nothing in the way of concessions. We have never occupied any territory. Our citizens are being concentrated in ports where we can protect them and remove them. It is solely for this purpose that our warships and marines are in that territory.

While this process was going on the unfortunate incident arose at Nanking. One of our citizens was murdered, another was wounded, our consulate was violated, and when the house in which our people had taken refuge was surrounded and they were actually under fire it became necessary for one of our ships, and one of the British ships in the harbor, to lay down a barrage, to drive away the soldiers and the mob who were making the attack and to enable our citizens to

reach a place of safety on our ships in the river. We presented with the other powers who had suffered like attacks identic notes of protest, to which a reply has been made, which although conciliatory in tone and to a certain degree responsive, leaves the final disposition of the issue a matter for further consideration by our Government.

Weeks ago we saw this situation developing and sent a suggestion to the contending factions that they exclude the foreign quarters of the city of Shanghai from the area of military operations. This they failed to do, making the dispatch of our forces necessary. In a public statement issued by our Secretary of State on the 27th of January we indicated that we were ready to negotiate a treaty giving China complete tariff autonomy and to negotiate the release of extraterritorial rights as soon as China is prepared to give protection to American citizens and their property. The friendship of America for China has become proverbial. We feel for her the deepest sympathy in these times of her distress. We have no disposition to do otherwise than to assist and encourage every legitimate aspiration for freedom, for unity, for the cultivation of a national spirit, and the realization of a republican form of government. In the turmoil and strife of the present time we realize fully that forces may be let loose temporarily beyond their power to control, which may do injury to American nationals. It is to guard against that eventuality that our forces are in Chinese waters and to do what China itself would do if peace prevailed. We do not wish to pursue any course of aggression against the Chinese people. We are there to prevent aggression against our people by any of their disorderly elements. Ultimately the turmoil will quiet down and some form of authority will emerge, which will no doubt be prepared to make adequate settlement for any wrongs we have suffered. We shall of course maintain the dignity of our Government and insist upon proper respect being extended to our authority. But our actions will at all times be those of a friend solicitous for the well-being of the Chinese people.

The recent period has brought America into a new position in the world. We shall have to bear the inevitable criticisms and try to discharge the inevitable obligations which arise from this condition. Because some others have pursued that course, it may be feared that we shall embark upon a program of military aggrandizement. Such, however, is not the spirit of the American people. If, even where our national interests and the protection of the rights of our citizens are involved, we attempt to assist in composing difficulties and supporting international law, we must expect to be charged with imperialistic motives. In our international intercourse we must hold ourselves up to high standards of justice and equity. We should be slow to take offense and quick to grant redress. The world knows that the whole

genius of America always calls it to the support of the universal rights of humanity.

The civilization of the world has been accomplished by the acceptance and general observance of definite rules of human conduct. Our duty demands that it be clearly understood at home and abroad that we are unwavering in our faith in those principles. Those who violate them can not hope for our approbation. Our attitude toward all nations is one of friendship and good will. Toward those who are yet struggling to improve the conditions of their people and achieve a larger liberty, it is especially one of forbearance. We support the demands of right and justice, but we are equally solicitous to observe the requirements of mercy and compassion. In the attempt of your Government to meet these great obligations by which alone an enlightened civilized society can be maintained, a united America must constantly respond with service and sacrifice.

[On Memorial Day, 1927, at the National Cemetery, Arlington, Virginia.]

Fellow Countrymen:

In accordance with long-established custom we gather here on this returning Decoration Day to pay the tribute of respect and reverence due from their Government to those who have borne arms in defense of the flag of our republic. In no other country could the people feel, in performing a like ceremony, that they were engaged in a more worthy purpose. When this nation has been compelled to resort to war, it has always been for a justifiable cause. The pages of its history are not stained with the blood of unprovoked conflict. No treachery has ever exposed our sister nations to unwarranted attack. No lust for conquest, no craving for power, no greed for territory, no desire for revenge has ever caused us to violate the covenants of international peace and tranquillity.

We have robbed no people of their independence, we have laid on no country the hand of oppression. When our military forces have taken the field it has been to enlarge the area of self-government, to extend the scope of freedom, and to defend the principles of liberty. We have established our independence, resisted encroachment upon our sovereignty, maintained our national union, rescued afflicted people from their oppression, and brought victory to the cause of liberty in a world convulsion. To all of our departed dead who, on land and on sea, have offered their blood in the support of this holy and triumphant cause, America today brings its affectionate garlands of honor and acclaim.

We can not contemplate these graves which are all about us, we can not recall the history which they symbolize, without a deep con-

sciousness that they have placed upon us an obligation to take a firmer resolution that their sacrifices are to have an influence on our conduct. The place which these heroic figures hold in history is forevermore secure. They did not hesitate, they did not yield, they met their duty squarely. For its fulfillment they were prepared to give their fortunes and their lives. It ought never to be forgotten that it was out of this spirit, supported by these sacrifices, that our country was established, its Constitution adopted and supported, its institutions formed, and its progress and prosperity created, with all that these have meant to the success and happiness of our own people and to the advancement of human welfare all over the world.

Reverence for the dead should not be divorced from respect for the living. If we hold those who have gone before in high estimation, it will be reflected in our conduct toward those who are still with us. It would be idle to place a wreath on the grave of the dead and leave ungarlanded the brow of the living. Our devotion to the memory of those who have served their country in the past is but a symbol of our devotion to those who are serving their country at present. Although fortunate circumstances have placed us in the position where we do not need to maintain large and burdensome military forces, although we are a people peculiarly devoted to the arts of peace, yet these are no reasons why we should withhold anything of the just appreciation that is due to those who are devoting their lives to the profession of arms. These men stand ready to respond at any moment to the order of our Government to proceed to any point within our own country or to any portion of the globe where disorder and violence threaten the peaceful rights of our people. Their post is always the post of danger and their lives are spent in service and sacrifice to promote the welfare of their country. America has a just right to satisfaction and pride in the personnel and purpose of its Army and Navy. We can not be loyal to the flag if we fail in our admiration for the uniform.

However much we wish to pursue the paths of peace, however much we are determined to live on terms of good will both at home and abroad, we can not escape the fact that there are still evil forces in the world which all past experience warns us will break out from time to time and do serious damage to lawful rights and the progress of civilization unless we are prepared to meet such situations with armed intervention. We could no more dispense with our military forces than we could dispense with our police forces. While we are firmly convinced that it is altogether practical and possible by international covenants to limit them in size, to consent to their abolition would be to expose ourselves first to aggression and finally to destruction.

If we are sincere in our expressed determination to maintain tran-

quillity at home and peace abroad, we must not neglect to lay our course in accordance with the ascertained facts of life. We know that we have come into possession of great wealth and high place in the world. There is scarcely a civilized nation which is not our debtor. We are sufficiently acquainted with human nature to realize that we are oftentimes the object of envy. Unless we maintain sufficient forces to be placed at points of peril when they arise, thereby avoiding for the most part serious attack, there would be grave danger that we should suffer from violent outbreaks, so destroying our rights and compromising our honor that war would become inevitable. It is to protect ourselves from such danger that we maintain our national defense. Under this policy it is perfectly apparent that our forces are dedicated solely to the preservation of peace.

Although we are well aware that in the immediate past, and perhaps even now, there are certain localities where our citizens would be given over to pillage and murder but for the presence of our military forces, nevertheless it is the settled policy of our Government to deal with other nations not on the basis of force and compulsion, but on the basis of understanding and good will. While we wish for peace everywhere, it is our desire that it should be not a peace imposed by America, but a peace established by each nation for itself. We want our relationship with other nations based not on a meeting of bayonets, but on a meeting of minds. We want our intercourse with them to rest on justice and fair dealing and the mutual observance of all rightful obligations in accordance with international custom and law. We have sufficient reserve resources so that we need not be hasty in asserting our rights. We can afford to let our patience be commensurate with our power.

As Americans we are always justified in glorying in our own country. While offensive boastfulness may be carried to the point of reproach, it is much less to be criticized than an attitude of apologetic inferiority. Not to know and appreciate the many excellent qualities of our own country constitutes an intellectual poverty which instead of being displayed with pride ought to be acknowledged with shame. While pride in our country ought to be the American attitude, it should not include any spirit of arrogance or contempt, toward other nations. All people have points of excellence and are justly entitled to the honorable consideration of other nations. While this land was still a wilderness there were other lands supporting a high state of civilization and enlightenment. On the foundation which they had already laid we have erected our own structure of society. Their ways may not always be our ways, and their thoughts may not always be our thoughts, but in accordance with their own methods they are attempting to maintain their position in the world and discharge their obligations to humanity. We

shall best fulfill our mission by extending to them all the hand of helpfulness, consideration, and friendship. Our own greatness will be measured by the justice and forbearance which we manifest toward others.

It is because of our belief in these principles that we wish to see all the world relieved from strife and conflict and brought under the humanizing influence of a reign of law. Our conduct will be dictated, not in accordance with the will of the strongest, but in accordance with the judgments of righteousness. It is in accordance with this policy that we have sought to discontinue the old practice of competition in armaments and cast our influence on the side of reasonable limitations. We wish to discard the element of force and compulsion in international agreements and conduct and rely on reason and law. We recognize that in the present state of the world this is not a vision which will be immediately realized, yet little by little, step by step, in every practical way, we should show our determination to press on toward this mark of our high calling.

Our Government has recently been attempting to proceed in accordance with these principles in its relations with China, Nicaragua, and Mexico, and in inviting Japan and Great Britain to participate in a three-power naval limitation conference.

While the foreign relations of this country are becoming more and more important, and constitute a field to which it will be necessary for our Government and our people to give much more attention than is now realized, yet it is our domestic affairs that must always assume the first rank. Nations which are torn by dissension and discord, which are weak and inefficient at home, have little standing or influence abroad. Even the blind do not choose the blind to lead them. Foreign peoples are certainly going to seek assistance only from those who have demonstrated their capacity to maintain their own affairs efficiently. If we desire to be an influence in order and law, tranquillity and good will in the world, we must be determined to make sufficient sacrifices to live by these precepts at home. We can be a moral force in the world only to the extent that we establish morality in our own country.

This day had its inception in the desire to do honor to those who had followed the flag in our great domestic struggle for the preservation of the Union and the supremacy of the Constitution. Like all principles expressive of a great truth, it has gradually broadened in its aspects to include within its sacred domain all of those who have followed our flag. But we should never permit this 30th day of May to go by without some expression of our peculiar debt of gratitude to those who offered their lives to their country under the leadership of Abraham Lincoln. When that great conflict was ended, when it was apparent that our Federal Union was to be perpetual, that our Con-

stitution was to be supreme, that all our people were to be free, America spoke with a new authority in the affairs of the world.

The questions at issue in those days were decided with all the finality which can attach to human affairs. Those who had taken a leading part in their decision were the prominent exponents of a policy of reconciliation. General Grant pled for "Harmony and good feeling between the sections," while General Lee declared "Restoration of peace should be the sole object of all." The people of our generation have seen these admonitions heeded and these hopes realized.

The advocates of secession were not confined in our history to any one section. They had appeared in the hills of Pennsylvania, they had met in convention in New England, they had adopted resolutions in Kentucky, they had taken up arms in South Carolina. That issue has been decided. It has no advocates now. But it has left its heirs and successors in all the different brands of sectionalism with their special pleaders who are oftentimes extremely vocal. In the eyes of our national Government all parts of our country are equally important and entitled to equal consideration. They are all parts of one common whole, which must succeed or fail together. All efforts to set one part against another part, to advance one section at the expense of another section, are a species of disloyalty to the spirit of the Union. It is only a small nature that wishes to divorce himself and his locality from the rest of the nation. The true American contemplates the shore, the mountain, and the plain, and instead of desiring to withdraw himself from any of them rejoices in his realization that they are all his country.

The integrity of the Union rests on the Constitution. Unless that great instrument is to be the supreme law of the land, we could have no Union worthy of our consideration. In its original inception it was the product of prayerful consideration by the best endowed minds that were ever turned to political deliberation. Although it was drafted in convention, it represented the mature thought of the country. Into it went the genius of Adams and Jefferson, of Franklin and Madison, of Hamilton and Washington. It has been expounded by Webster and other statesmen in the Congress, and adjudicated by Marshall and other magistrates on the bench. With its three independent departments, the executive, legislative, and judicial, it established a republican form of government incomparable in the guaranties of order and liberty with which it has endowed the American people. As a charter of freedom and self-government it is unsurpassed by any political document which ever guided the destinies of a people.

We have made our place in the world through the Union and the Constitution. We have flourished as a people because of our success in establishing self-government. But all of these results are predi-

cated upon a law-abiding people. If our own country should be given over to violence and crime, it would be necessary to diminish the bounds of our freedom to secure order and self-preservation. In whatever direction we may go we are always confronted with the inescapable conclusion that unless we observe the law we can not be free. Unless we are an industrious, orderly nation we can neither minister to our own requirements or be an effective influence for good in the world. All of these things come from the hearts of the people. So long as they have the will to do right and the determination to make sacrifices, our institutions will stand secure at home and respected abroad. It is to those who had that will, who showed that determination, that we today do honor.

We can not leave this hallowed ground, decorated as it is today with all the flowers which loving memory has brought, without realizing anew that it was the spirit of those who rest here which gave us our independence, our Constitution, our Union, and our freedom. They have bequeathed to us the rarest, richest heritage which was ever bestowed upon any people. Their memory speaks to us always, reminding us of what we have received from them and of our duty to dedicate ourselves to its preservation and perfection.

[Bestowing Upon Colonel Charles A. Lindbergh the Distinguished Flying Cross, at Washington, Saturday, June 11, 1927.]

My Fellow Countrymen:

It was in America that the modern art of flying of heavier-than-air machines was first developed. As the experiments became successful, the airplane was devoted to practical purposes. It has been adapted to commerce in the transportation of passengers and mail and used for national defense by our land and sea forces. Beginning with a limited flying radius, its length has been gradually extended. We have made many flying records. Our Army flyers have circumnavigated the globe. One of our Navy men started from California and flew far enough to have reached Hawaii, but being off his course landed in the water. Another officer of the Navy has flown to the North Pole. Our own country has been traversed from shore to shore in a single flight.

It had been apparent for some time that the next great feat in the air would be a continuous flight from the mainland of America to the mainland of Europe. Two courageous Frenchmen made the reverse attempt and passed to a fate that is as yet unknown. Others were speeding their preparations to make the trial, but it remained for an unknown youth to tempt the elements and win. It is the same story of valor and victory by a son of the people that shines through every page of American history.

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THE AMERICAN ARMY OF OCCUPATION LEAVES GERMANY

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The American forces occupying a portion of the Rhineland territory of Germany, in accordance with the Treaty of Versailles, were finally withdrawn in 1923. It was generally believed at the time that the withdrawal was in protest against the French Government's decision to occupy the Ruhr Valley district of Germany. One of the views on the opposite page shows American and French soldiers and musicians crowding the parapet of the massive fortress of Ehrenbreitstein, at Coblenz, as the American flag was hauled down for the last time, after waving there for four years. Another view shows the last contingent, with band playing and colors flying, marching out of the fortress. The other view shows the Americans marching through Coblenz, bound for home.

Twenty-five years ago there was born in Detroit, Michigan, a boy representing the best traditions of this country, of a stock known for its deeds of adventure and exploration. His father, moved with a desire for public service, was a member of Congress for several terms. His mother, who dowered her son with her own modesty and charm, is with us today. Engaged in the vital profession of school teaching, she has permitted neither money nor fame to interfere with her fidelity to her duties. Too young to have enlisted in the World War, her son became a student at one of the big state universities. His interest in aviation led him to an Army aviation school; and in 1925 he was graduated as an airplane pilot. In November, 1926, he had reached the rank of captain in the Officers' Reserve Corps. Making his home in St. Louis, he had joined the One hundred and tenth Observation Squadron of the Missouri National Guard. Some of his qualities noted by the Army officers who examined him for promotion, as shown by reports in the files of the Militia Bureau of the War Department, as are follows: "Intelligent," "industrious," "energetic," "dependable," "purposeful," "alert," "quick of reaction," "serious," "deliberate," "stable," "efficient," "frank," "modest," "congenial," "a man of good moral habits and regular in all his business transactions." One of the officers expressed his belief that the young man "would successfully complete everything he undertakes." This reads like a prophecy.

Later he became connected with the United States Mail Service, where he exhibited marked ability, and from which he is now on leave of absence.

On a morning just three weeks ago yesterday, this wholesome, earnest, fearless, courageous product of America rose into the air from Long Island in a monoplane christened "The Spirit of St. Louis" in honor of his home and that of his supporters. It was no haphazard adventure. After months of most careful preparation, supported by a valiant character, driven by an unconquerable will and inspired by the imagination and the spirit of his Viking ancestors, this reserve officer set wing across the dangerous stretches of the North Atlantic. He was alone. His destination was Paris.

Thirty-three hours and thirty minutes later, in the evening of the second day, he landed at his destination on the French flying field at Le Bourget. He had traveled over 3,600 miles and established a new and remarkable record. The execution of his project was a perfect exhibition of art.

This country will always remember the way in which he was received by the people of France, by their President, and by their Government. It was the more remarkable because they were mourning the disappearance of their intrepid countrymen, who had tried to span the Atlantic on a western flight.

Our messenger of peace and good will had broken down another barrier of time and space and brought two great peoples into closer communion. In less than a day and a half he had crossed the ocean over which Columbus had traveled for 69 days, and the Pilgrim Fathers for 66 days, on their way to the New World. But, above all, in showering applause and honors upon this genial, modest, American youth, with the naturalness, the simplicity, and the poise of true greatness, France had the opportunity to show clearly her good will for America and our people. With like acclaim and evidences of cordial friendship our ambassador without portfolio was received by the rulers, the governments, and the peoples of England and Belgium. From other nations came hearty messages of admiration for him and for his country. For these manifold evidences of friendship we are profoundly grateful.

The absence of self-acclaim, the refusal to become commercialized, which has marked the conduct of this sincere and genuine exemplar of fine and noble virtues, has endeared him to every one. He has returned unspoiled. Particularly has it been delightful to have him refer to his airplane as somehow possessing a personality and being equally entitled to credit with himself, for we are proud that in every particular this silent partner represented American genius and industry. I am told that more than 100 separate companies furnished materials, parts, or service in its construction.

And now, my fellow citizens, this young man has returned. He is here. He has brought his unsullied fame home. It is our great privilege to welcome back to his native land, on behalf of his own people, who have a deep affection for him and have been thrilled by his splendid achievement, a colonel of the United States Officers' Reserve Corps, an illustrious citizen of our Republic, a conqueror of the air and strengthener of the ties which bind us to our sister nations across the sea, and, as President of the United States, I bestow the distinguished flying cross, as a symbol of appreciation for what he is and what he has done, upon Colonel Charles A. Lindbergh.

CALVIN COOLIDGE.

EXECUTIVE ORDER

[Rules of Official Precedence.]

THE WHITE HOUSE, *August 10, 1927.*

The following rules of precedence will henceforth be observed as between (1) Ambassadors, Ministers, and officers of the Foreign Service of the United States; (2) officers of the United States Army; (3) officers of the United States Navy and Marine Corps; and (4)

Foreign Commerce officers of the United States. Previous executive orders inconsistent herewith are rescinded.

1. In the country to which he is accredited, the chief of the diplomatic mission takes precedence over all officers of the Army, Navy, or Foreign Commerce Service.

2. In diplomatic missions the following ranking will be observed:

Counselors take place and precedence next in succession after the Chief of Mission.

Military and Naval attachés take place and precedence next in succession after the Counselor, or at a post where the Department of State has deemed it unnecessary to assign a Counselor, after the senior first secretary. Military and Naval attachés take precedence as between themselves according to their respective grades and seniority therein.

Commercial attachés rank with but after Military and Naval attachés.

Assistant Military and Naval attachés take place and precedence next after second secretaries. Assistant Military and Naval attachés take precedence as between themselves according to their respective grades and seniority therein.

Assistant Commercial attachés rank with but after Assistant Military and Naval attachés.

In the absence of the titular head of the mission, the senior diplomatic officer will act as Chargé d'Affaires ad interim, unless otherwise directed by the Secretary of State, and as such will take precedence over all members of the staff of the mission.

At ceremonies and receptions where the members of the mission take individual position, in the lists furnished foreign governments for inclusion in their diplomatic lists, and in the Register of the Department of State, place and precedence will follow the ranking indicated in the paragraphs above.

At ceremonies and receptions where diplomatic missions are present as a body, the Military, Naval and Commercial attachés will form distinct groups and follow in that order the diplomatic personnel of the mission.

3. In international conferences at which the American delegates possess plenipotentiary powers, the senior Counselor of Embassy or Legation attached to the delegation, takes place and precedence immediately after the delegates, unless otherwise instructed by the Secretary of State.

4. As between officers of the Departments of State and Commerce:—

(a) The senior Foreign Commerce Officer functioning in a consular district in which there is no diplomatic mission, shall rank with but after the senior Foreign Service Officer functioning in that district.

(b) Foreign Commerce Officers in a consular district, other than

the senior officer, shall rank with respect to the Foreign Service Officers in the Consular District other than the senior officer as follows:

(1) Foreign Commerce Officers of Class I, with but after Foreign Service Officers of Classes I and II;

(2) Foreign Commerce Officers of Class II, with but after Foreign Service Officers of Classes III and IV;

(3) Foreign Commerce Officers of Class III, with but after Foreign Service Officers of Classes V, VI and VII;

(4) Foreign Commerce Officers of Class IV, with but after Foreign Service Officers of Classes VIII and IX, and unclassified Officers of the first grade;

(5) Foreign Commerce Officers of Class V, with but after unclassified Foreign Service Officers of the second and third grades.

(c In the absence of the Foreign Service Officer in charge of a consular district, the Foreign Service Officer acting shall enjoy the precedence regularly accorded the former, and in the absence of the ranking Foreign Commerce Officer, the Officer acting shall enjoy the precedence of the ranking Foreign Commerce Officer.

5. In the districts to which they are assigned, Foreign Service officers in charge of Consulates General take place and precedence immediately after Brigadier Generals in the Army or Marine Corps, and hold rank intermediate between Rear Admirals and Captains in the Navy.

In the Districts to which they are assigned Foreign Service officers in charge of Consulates take place and precedence immediately after Colonels in the Army or Marine Corps and Captains in the Navy.

CALVIN COOLIDGE.

By the President of the United States of America.

PROCLAMATIONS

[National Fire Prevention Week—1927]

For a number of years it has been our custom as a nation to observe as National Fire Prevention Week the week in which the anniversary of the great Chicago fire of 1871 occurs. During those periods public attention has been concentrated upon the seriousness of America's fire waste problem through the press, schools, civic organizations and numerous other groups. The results last year were particularly gratifying for in eighty cities of more than 20,000 population no fire loss was sustained during the Week and in many others the destruction by fire was considerably less than their weekly average for the year.

Reports for the current year indicate that some progress is being made toward checking this tremendous source of waste. It is probable that

more attention is being directed to this problem by public spirited officials and citizens than ever before. Numerous organizations, national and local, are devoting much study and effort to it with gratifying results. However, the situation still remains so acute that there should be no diminution in our effort to rid the country of the menace of fire.

Therefore, I, Calvin Coolidge, President of the United States of America, do hereby designate the week of October 9 to 15, 1927, as National Fire Prevention Week. Each community throughout the land should lay plans for an appropriate observance of Fire Prevention Week and make it the starting point for a program to continue throughout the year. Special attention should be devoted to the prevention of fires in rural districts and in our forests. Because of their limited protective facilities they are often at the mercy of the flames when fire originates. I recommend to all of our citizens that they lay particular emphasis upon the elimination of fire hazards in their homes and places of business and I urge that state and local officials take steps to discover and remedy any defects which may exist in buildings frequented by the public.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this 20th day of September in the year of our Lord one thousand nine hundred and twenty-seven [SEAL] and of the Independence of the United States of America the one hundred and fifty-second.

By the President: CALVIN COOLIDGE.

WILBUR J. CARR, *Acting Secretary of State.*

[Thanksgiving, 1927.]

Under the guidance and watchful care of a Divine and beneficent Providence this country has been carried safely through another year. Almighty God has continued to bestow upon us the light of His countenance, and we have prospered. Not alone have we enjoyed material success, but we have advanced in wisdom and in spiritual understanding. The products of our fields and our factories and of our manifold activities have been maintained on a high level. We have gained in knowledge of the higher values of life. There has been advancement in our physical well-being. We have increased our desire for the things that minister to the mind and to the soul. We have raised the mental and moral standards of life.

We have had the blessings of peace and of honorable and friendly relations with our sister nations throughout the world. Disasters visiting certain of our States have touched the heart of a sympathetic nation, which has responded generously out of its abundance. In continuing

to remember those in affliction we should rejoice in our ability to give them relief.

Now that these twelve months are drawing to a close, it is fitting that, as a nation, and as individuals, in accordance with time-honored and sacred custom, we should consider the manifold blessings granted to us. While in gratitude we rejoice, we should humbly pray that we may be worthy of a continuation of Divine favor.

Wherefore, I, Calvin Coolidge, President of the United States, do hereby set apart and designate Thursday, the twenty-fourth day of November, next, as a day of thanksgiving and prayer, and recommend and urge that on that day our people lay aside their usual tasks, and by the family fireside and in their accustomed places of public worship give thanks to Him who holds us all in the hollow of His hand.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this twenty-sixth day of October, in the year of our Lord one thousand nine hundred and twenty-
[SEAL] seven, and of the Independence of the United States of America the one hundred and fifty-second.

By the President: CALVIN COOLIDGE.

FRANK B. KELLOGG, *Secretary of State.*

[Armistice Day, 1927.]

Whereas, the 11th of November, 1918, marked the cessation of the most destructive, sanguinary and far-reaching war in human annals; and

Whereas, it is fitting that the recurring anniversary of this day should be commemorated with thanksgiving and prayer, and by exercises designed to further the cause of permanent peace through the maintenance of good will and friendly relations between nations; and

Whereas, by concurrent resolution of the Senate and the House of Representatives, in 1926, the President was requested to issue a proclamation for the observance of Armistice Day:

Now, Therefore, I, Calvin Coolidge, President of the United States of America, in pursuance of the said concurrent resolution, do hereby order that the flag of the United States be displayed on all Government buildings on November 11, 1927, and do invite the people of the United States to observe the day in schools and churches, and other suitable places, with appropriate ceremonies, giving expression to our gratitude that peace exists and to our sincere desire that such amicable relations with all other peoples may continue.

In witness whereof, I have hereunto set my hand and caused to be affixed the great seal of the United States.

Done at the City of Washington this second day of November, in the year of our Lord one thousand nine hundred and twenty-
[SEAL] seven, and of the Independence of the United States the one hundred and fifty-second.

By the President: CALVIN COOLIDGE.

FRANK B. KELLOGG, *Secretary of State.*

1927 BUDGET MESSAGE

THE WHITE HOUSE, *December 5, 1927.*

To the Congress of the United States:

Herewith is transmitted the budget of the United States for the fiscal year ending June 30, 1929. The receipts and expenditures shown in detail in the budget are summarized in the following statement:

Summary (exclusive of postal revenues and postal expenditures paid from postal revenues).

Receipts:	Estimated, 1929.	Estimated, 1928.	Actual, 1927.
Customs	$602,000,000.00	$602,000,000.00	$605,499,983.44
Income tax	2,065,000,000.00	2,165,000,000.00	2,224,992,800.25
Miscellaneous internal revenue	640,545,000.00	638,545,000.00	644,421,541.56
Miscellaneous receipts	501,952,314.00	670,053,091.00	654,480,115.85
Total receipts	$3,809,497,314.00	$4,075,598,091.00	$4,129,394,441.10
Total expenditures (including reduction of the public debt required by law to be made from ordinary receipts	3,556,957,031.00	3,621,314,285.00	3,493,584,519.40
Excess of receipts	$252,540,283.00	$454,283,806.00	$635,809,921.70

The budget system has now been in effect a sufficient length of time to enable us to appreciate fully its far-reaching importance. It is directly responsible for our present position of financial stability. That position has been acquired by scientific management of our business affairs. This management has resulted in improvement throughout the entire field covered by federal operations. It seems inconceivable that such progress could have been made in so short a period after the great world conflict. Yet it has been done. It demonstrates the efficiency of our form of government. The good of all the people is our controlling consideraton. And because of this, scientific management of our affairs is essential.

In slightly more than six years we have had substantial reductions in taxes and in that same period we have enhanced greatly the value

of the service which we are rendering the people. We are raising money to pay our long-term commitments. We have provided for adequate national defense. Our housing problems are being cared for. All through our Government activities there have been improvement and progress. Federal activities have kept pace with a growing and progressive nation. This has all called for orderly procedure, and we are reaping the rewards which follow that course. We can well take the experience of the past as our index to future operations. If we proceed along the orderly lines followed these last years our continued success is assured.

TAX REDUCTION

Since 1920 there have been three reductions in taxes for the purpose of relieving the people of some of their war burdens. The act of November, 1921, lightened the tax load by a reduction of $663,000,000. The act of 1924 afforded additional relief of $519,000,000. The act of 1926 made a further reduction of $422,000,000. Taking these all together our tax demands have been lessened by $1,604,000,000. This in itself illustrates the value of orderly procedure.

The people are permanently richer because of the diminished demands made by the federal Government. And hand in hand with these material curtailments of the amounts taken from the people the public debt has been reduced. From a peak of more than twenty-six and a half billions of dollars the debt has been reduced on June 30, 1927, by $8,084,794,716. This lowering of the debt means an annual saving in interest of approximately $320,000,000. While this tangible and extraordinary saving emphasized the importance of debt reduction as a preliminary to ultimate adequate tax reduction, we have at this time for consideration the question of further relief to those who pay federal taxes.

In planning for a revision downward of tax rates, the first question that presents itself is the amount of money that can safely be devoted to the purpose without curtailing necessary activities of the Government or threatening a deficit. The extraordinary surplus of June 30, 1927, was $635,809,000, and was made possible by receipts from non-recurring sources of $414,000,000, only $221,000,000 coming from current and continuing sources. Of this surplus, $612,000,000 was applied to the public debt, effecting an annual interest saving of $24,000,000.

The estimated surplus for this year—which ends with June 30, next—is $454,000,000, of which $318,000,000 is from non-recurring sources, and $136,000,000 from current and continuing sources. This is an increase of $254,000,000 over the estimate carried in the 1928 budget, of which increase $158,000,000 is from miscellaneous receipts, which

include $154,000,000 in receipts from railroads. The remaining $96,000,000 of the increase is found in regular revenue returns.

The estimated surplus for 1929—the coming fiscal year—is $252,540,000, of which $75,000,000 is from non-recurring sources. This surplus is reached by means of a fairly sanguine estimate of receipts and a carefully restricted estimate of expenditure. The expenditure estimate for 1929 of $3,557,000,000 includes nothing for flood control with the exception of the fifth-year allowance of $10,000,000 in the six-year program authorized by Congress. Other proposed major projects, not yet the subject of legislation, are not provided for in this estimate. It is reasonably certain that some of them will be enacted into law and will call for material advances from the federal Treasury. This will doubtless have the consideration of Congress.

Careful study of all these factors points to a tax reduction of $225,000,000 as the maximum, and that amount only possibly on the assumption that the estimates of expenditure for 1929 be not materially exceeded, and that additional continuing obligations be incurred only to the extent that absolute necessity from the standpoint of public need warrants. Adequate flood protection, of course, meets the requirements of absolute urgent necessity.

Under the provisions of the Budget and Accounting act, I recommend to Congress that taxes be reduced by not to exceed $225,000,000.

IMPORTANCE OF A BALANCED BUDGET

Each of the three reductions in tax rates since November, 1921, has been measured on the certainty of our ability to stand such reductions. This is the only safe course. It has brought forth a balanced budget. In this we have found our financial stability. We have been operating on the wise plan that reduction in rates of federal taxes should be permanent. This is the only proper basis for tax reduction. In a business of the magnitude of that of the federal Government there must be a margin of safety. The fact that this margin has grown to large proportions in the past fiscal years carries no assurance that that will continue. I am in favor of tax reduction. I am not in favor of any such reduction as will jeopardize our financial stability.

The assurance that federal expenditures will be kept within federal receipts has bulwarked public confidence, it has contributed measurably to the prosperous condition of the country, it has ministered to the justifiable pride of our people in their Government and in its orderly and sane processes. To jeopardize our balanced budget, to do anything that in the most remote degree would threaten to interfere with the orderly processes of wise financing, to take steps in the interest of tax reduction that would necessitate either revolutionary curtailment of important federal projects and activities or compel a later upward revi-

sion of tax rates, or both, is unthinkable. I am convinced the people of this country are overwhelmingly in favor of keeping the budget balanced and are just as overwhelmingly opposed to any measure or measures that would make any other result even remotely possible.

I am counting on the continued prosperity of the nation in recommending a tax reduction of $225,000,000. I am also counting on the determined continuance of the campaign for rigid Government economy. I believe that a tax reduction in the sum which I have mentioned is justified. We must, however, preserve the sanctity of a balanced budget. Under the law made by the Congress the President cannot countenance a program of expenditure or approve estimates for appropriations that threaten to interfere with the annual balancing of the national budget.

Estimated receipts for the fiscal year ending June 30, 1927, as carried in the 1928 budget totaled $4,026,780,688, and estimated expenditure was $3,643,701,593. The year closed, however, with actual receipts of $4,129,394,441.10 and actual expenditures of $3,493,584,519.40. We were fortunate in having a marked increase in receipts, while a material reduction in estimated expenditure, resulting largely from the continuing policy of economy, contributed to the creation of the largest surplus in history, $635,809,921.70.

In the budget for 1928, transmitted to the Congress December 6, 1926, it was estimated that our receipts for that year would be $3,772,753,077 and our expenditures $3,572,049,214. The surplus indicated was $200,703,863. Today our finances for 1928 present a more favorable outlook. It is now estimated that our receipts for the year now in progress will reach $4,075,598,091 and that our expenditures will be $3,621,314,285. This indicates a surplus of $454,283,806.

The estimates of appropriations contained in this budget reach a total of $3,505,793,766, which is exclusive of the Postal Service payable from postal receipts. A comparison between the estimates in this budget and those for the fiscal year 1928 should necessarily include the supplemental estimates for 1928. Many of these were presented to the Congress for consideration in the second deficiency bill, fiscal year 1927. That bill failed of enactment. There has necessarily been a change in these estimates. In the following table a comparison is made with the estimates of appropriations contained in this budget and the appropriations for 1928 coupled with the estimates pertaining to the latter fiscal year.

The budget for 1929, herewith submitted, is more complete than any of its predecessors. It is the intent of the law creating a budget system for the federal Government that the annual budget include estimates for all needs of the Government for the full twelve months for which budget estimates are submitted. In our great and growing Government changes are kaleidoscopic and new needs and imperative

new demands arise overnight calling for congressional help. The Chief Executive is committed by law to the policy of making each annual budget a complete provision for a full year, appreciating the wisdom of such a policy. While actual deficits are rare, supplementals, because of the reasons cited, persist, and persist large in amount and many in number. Estimates of this character, which have already been submitted to this Congress for inclusion in the urgent deficiency bill, total approximately $204,000,000. Of this amount, $106,000,000 is made necessary by new legislation. Of the balance of approximately $98,000,000, the sum of $43,000,000 is required for tax refunds, $7,000,000 for emergency flood relief, $8,000,000 for claims and judgments, while the remainder is needed for national defense or to meet demands of policies that have congressional approval. The non-enactment of the second deficiency bill during the session of Congress which closed March 4, 1927, necessarily adds to the total of these supplemental estimates which must now be presented to the Congress.

REFUNDING TAXES

I believe the time has come when our estimates of appropriations for refunding taxes illegally collected should be reflected in the appropriation items requested in the budget. In prior years this item of expense, while reflected in budget estimates of expenditure, has not been fully reflected in the annual estimates for appropriations. The operation has been conducted on a calendar-year basis by making the refundment of taxes an item for inclusion as a supplemental, rather than budget, estimate. The budget herewith contains an estimate of $135,000,000 for refundment of taxes for the full fiscal year 1929. This is in harmony with the plan to have the annual budget estimates reflect the conditions for the fiscal year to which they relate. The balance of the current fiscal year will be covered by a supplemental estimate.

Departments	Estimates of Appropriations, 1929.	Appropriations, 1928.[1]
Legislative establishment	$16,862,930.86	$16,554,579.56
Executive office	437,180.00	438,460.00
Independent establishments:		
Alaska relief funds	15,000.00	15,000.00
Alien Property Custodian	7,500.00	98,000.00
American Battle Monuments Commission	700,000.00	600,000.00
Arlington Memorial Bridge Commission	2,300,000.00	2,500,000.00
Board of Mediation	347,902.00	390,000.00
Board of Tax Appeals	720,740.00	712,780.00
Bureau of Efficiency	210,350.00	210,350.00
Civil Service Commission	1,098,752.00	1,007,442.00

[1] Includes $79,664,436 permanent and indefinite appropriations not included in Budget estimates prior to 1929.

Departments	Estimates of Appropriations, 1929.	Appropriations, 1928.[1]
Commission of Fine Arts	7,300.00	7,300.00
Employes' Compensation Commission	3,675,000.00	2,698,240.00
Federal Board of Vocational Education	8,220,000.00	8,165,230.00
Federal Power Commission	120,890.00	42,500.00
Federal Radio Commission	80,560.00	.....
Federal Reserve Board	2,700,000.00	2,700,000.00
Federal Trade Commission	963,000.00	984,350.00
General Accounting Office	3,820,000.00	3,833,000.00
Housing Corporation	475,000.00	564,236.00
International Trade Exhibition	.....	.....
Interstate Commerce Commission	7,642,337.00	7,811,314.00
National Advisory Committee for Aeronautics	600,000.00	525,000.00
Public Buildings and Public Parks	2,584,980.00	2,422,950.00
Smithsonian Institution	974,761.00	939,711.00
Tariff Commission	749,000.00	682,000.00
United States Geographic Board	4,300.00	3,945.00
United States Shipping Board and Merchant Fleet Corporation	13,688,750.00	12,290,000.00
United States Veterans' Bureau	560,060,000.00	545,865,000.00
Claims, judgments, &c.	.....	14,000.00
Total Executive office and independent establishments	$612,204,052.00	$595,520,808.00
Department of Agriculture	142,753,229.00	139,862,989.00
Department of Commerce	37,599,460.00	36,630,450.00
Department of the Interior	300,190,089.00	285,810,120.00
Department of Justice	26,784,630.00	26,400,889.50
Department of Labor	10,735,840.00	10,159,516.00
Navy Department	362,167,020.00	318,131,957.00
Postoffice Department, postal deficiency, payable from Treasury	15,270,042.00	[2] [3] 30,370,000.00
State Department	14,015,188.14	12,155,119.41
Treasury Department	316,333,562.00	[4] 275,732,633.00
War Department, including Panama Canal	398,823,143.00	371,904,165.00
District of Columbia	40,431,186.00	38,824,385.00
Total ordinary	$2,294,170,372.00	$2,158,057,611.47
Reduction in principal of the public debt:		
Sinking fund	369,209,093.53	354,157,085.00
Redemption of securities from Federal Reserve Bank and Federal intermediate credit bank franchise tax receipts	1,000,000.00	800,000.00

[2] Revised to date.

[3] Heretofore included in estimates of appropriations for "Postal Service payable from postal revenue."

[4] Includes $107,000,000 1927-28 supplemental appropriation for internal revenue refunds.

Departments	Estimates of Appropriations, 1929.	Appropriations, 1928.[1]
Redemption of bonds, &c., account of repayments of principal and as interest payments on obligations of foreign Governments.....	171,214,300.00	181,963,650.00
Redemption of bonds, &c., account of forfeitures, gifts, &c.....	200,000.00	200,000.00
Principal of the public debt.....	541,623,393.53	[2] 537,120,735.00
Interest on the public debt	670,000,000.00	[2] 720,000,000.00
Total payable from the Treasury $3,505,793,765.53		$3,415,178,346.47
Postal Service payable from postal revenues..	753,000,000.00	[2] 724,966,200.00
Total, including Postoffice Department and Postal Service $4,258,793,765.53		$4,140,144,546.47

In the development of this plan the estimates of appropriations in this budget carry approximately $80,000,000 more for permanent and indefinite appropriations than has appeared in preceding budgets. This is all in the interest of having the budget estimates reflect actual requirements. This is a step in the right direction. It narrows the margin between our estimates of appropriations and the estimate of expenditure. The latter estimate has always carried these items, but their reflection elsewhere in the budget as estimates of appropriations is most desirable.

Taking the refundment of taxes item and these additional permanent and indefinite funds together, we have an increase of $230,000,000 over what would have been required under the plan of estimates heretofore followed in preparing the annual budgets. This is not a real increase, as these items have always been included in the estimates of expenditure.

CIVILIAN EMPLOYES

The budget herewith contains for the first time estimates of appropriations for commencing liquidation of the liability of the Government to both the civil service and foreign service retirements. The Congress wisely authorized submission of estimates for this purpose. This conforms to the principle under which we have been operating to amortize our long-term commitments. For the civil service retirement fund the estimate is $19,950,000 and for the foreign service retirement fund $213,000.

The Government board of actuaries estimates that an annual appropriation of the former amount for 71 years and of the latter amount for 60 years will meet fully the accrued and accruing liability of the Government to these two funds. Since these estimates are based on the present pay roll, any increase in the roll will be reflected in a reduc-

[2] Revised to date.

tion of the time in which the liability of the Government will be fully discharged. An increase of 1 per cent annually in the pay roll of those contributing to the civil service retirement fund would reduce the period of amortization from 71 to 42 years.

We are necessarily concerned in the federal pay roll. This concern involves both the interests of the taxpayers and those who are on the rolls. The effort has been to do equal justice to both. The Classification Act of 1923, with the extension of comparable rates of compensation to those in the field service, has substantially met the situation. In 1923 the average salary of federal employes at the seat of government was $1,674. When the Classification Act went into effect in 1924 it increased the average salary to $1,749. For the fiscal year 1927 the average salary had increased to $1,846. For 1928 the average salary will be about $1,886 and for 1929 will amount approximately to $1,897.

Adequate provision has been made for those employes who are injured in line of duty and for those who are retired because of permanent disability or age. The allowance for annual and sick leave, the reasonable hours of daily service under favorable working conditions, and the permanency of employment are other factors which favor the Government worker. Taking all things into consideration, I feel that the Government is liberal in the treatment of its employes. If this were not so, it is hardly possible that the civil service records would show that more than a quarter of a million persons sought federal employment in 1927 when the number of vacancies was only 38,700. All our investigations show that in places paying less than $2,500 to $3,000 the rate of pay by the Government is higher than in comparable places in private employ.

NATIONAL DEFENSE

In 1927 there was available for expenditure for defense purposes, excluding all nonmilitary items and retired pay, $576,000,000. The current year's availability will be $625,000,000, while this budget contemplates available defense funds of approximately $645,000,000.

The estimates carry $48,000,000 for increase of the navy. This provides for prosecution work on all projects authorized by the Congress, with the exception of 3 submarines and 12 destroyers authorized in 1916, for which no funds are desired at this time. Navy craft under construction in 1929 will compromise 2 submarines and 8 cruisers, of which 2 will be practically completed in 1929—the *Pensacola* and *Salt Lake City*. Ample funds are provided in the estimate for the modernization of the battleships *Oklahoma* and *Nevada,* in accordance with the approved modernization program. Necessary funds are provided to carry out the third increment of the five-year air program. It is expected with the funds recommended the navy at the end of the

coming fiscal year will have 696 planes of the 1,000 final total contemplated in the program approved by the Congress. Additional funds are also recommended for the lighter-than-air ship, for which Congress has already appropriated $200,000.

Army estimates contemplate a regular army of 118,750 men with 12,000 officers, 30,000 trainees for the Citizens' Military Training Camp, 15,725 trainees in the Organized Reserve, 125,000 cadets in the Reserve Officers' Training Corps, and a National Guard strength of 188,000 men.

The total availability asked for army housing in 1929 is $7,115,000, including contract authorization. There is carried in the supplemental estimates for 1928 the sum of $6,166,000 for army housing, that being the amount which failed of enactment in the second deficiency bill in the last Congress. This makes a total available in the two estimates of $13,281,000, and completes the authorization so far made by Congress for this purpose.

In addition thereto the amount recommended for repair and maintenance of barracks, quarters, sewers, roads, and water systems amounts to $10,440,000, an increase of $1,672,500 over available funds this current year. Included in these estimates also is an increase of $2,000,000 over the 1928 appropriation for ammunition. Estimates herewith for the Army Air Corps provide for the second year increment in the five-year program looking toward 1,800 airplanes at the end of the five years.

AIR SERVICE

We have proceeded sufficiently far in our air service program to show the wisdom of the legislative policy with regard to this important and developing line of federal activity. Under this policy the needs of the federal Government are being met with orderly stimulation of private industry. The appropriations of the past as well as the estimates now submitted are all in furtherance of this policy. Our procurement of aircraft and accessories is from private industry. This is as it should be. We have gone further than this. Private industry is now operating by contract our entire postal air mail service. We now have thirteen contract mail routes in operation and seven others under contract with a view to their early operation.

We can point with pride to the federal operation of the postal air mail service. Such operation was necessary in the beginning. We can point with equal pride to the turning of that service over to private industry for operation under contract. That has resulted largely from the policy which this nation has been pursuing in air navigation. That policy, probably more than any one other thing, made possible the handling of this business by private enterprise.

In the realm of navigation by air, I have mentioned elsewhere the

provision made in these estimates for carrying on the five-year air programs for the army and navy. In our civil work the Coast Guard, the Prohibition Service and the Forest Service are also operating airplanes. The Department of Commerce is also using planes in its air navigation work. Provision for all of these is made in the estimates herewith submitted, which also carry funds for further development of our lighted airways. With regard to this latter federal function, the end of the next fiscal year under the estimate herein submitted should see more than 10,000 miles of lighted airways.

FEDERAL AID TO STATES

I am including in this budget an estimate of $1,108,000 for the promotion of the welfare and hygiene of maternity and infancy. I refer to this estimate for two reasons. The first is, that the authorization for this appropriation expires with the fiscal year 1929. The second is, that it marks the termination of federal contribution to a project which is for state control and administration. The extension for two years of the provisions of the act for the promotion of the welfare and hygiene of maternity and infancy was approved with the understanding that its administration during these two added years would be with a view to the discontinuance of federal aid thereafter. Six years of experience under the able administration that has characterized the Government's policy warrants this permanent withdrawal of federal aid, assured that the states are now or should be able to carry on this work without aid or interference from the federal Government.

This opens up the whole subject of state aid, which despite frequent warnings continues strongly entrenched in federal operations. While the amount of money taken annually from the federal Treasury for subsidies to states is not inconsiderable, the dangers inherent in the policy are of far greater importance. To relieve the states of their just obligations by resort to the federal Treasury in the final result is hurtful rather than helpful to the state and unfair to the payers of national taxes. To tempt the states by federal subsidies to sacrifice their vested rights is not a wholesome practice no matter how worthy the object to be attained.

Federal interference in state functions can never be justified as a permanent continuing policy even if, which is doubtful, such interference is warranted by emergent conditions as a temporary expedient. As shown in the Maternity and Infancy Act, when once the Government engages in such an enterprise it is almost impossible to terminate its connection therewith. We should not only decidedly refuse to countenance additional federal participation in state-aid projects, but should make careful study of all our activities of that character with a view to curtailing them.

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THE 1924 DEMOCRATIC NATIONAL CONVENTION

THE 1924 DEMOCRATIC CONVENTION

The illustration shows the opening session of the convention, meeting in the famous old Madison Square Garden, New York City (soon thereafterwards torn down). Senator Harrison, of Mississippi, is occupying the chair, to deliver the "keynote" address. The convention, which convened on June 24, 1924, broke all records for the number of ballots required to nominate for the Presidency, due primarily to a deadlock between the supporters of former Secretary of the Treasury William G. McAdoo, of California, and Governor Alfred E. Smith, of New York. It was not until July 9 and the 103rd ballot that a compromise was reached in the nomination for the Presidency of John W. Davis, of West Virginia, formerly Solicitor General and Ambassador to Great Britain.

FEDERAL BUILDINGS

With a view to expediting the construction program authorized by the public buildings act of May 25, 1926, estimates of appropriations amounting to $8,131,000 will be submitted for the consideration of Congress in the first deficiency bill of this fiscal year. This amount will pertain to the projects included in the public buildings appropriation bill which failed of passage the last fiscal year and for which authority to enter into contracts has been previously authorized.

The estimates submitted with this budget provide for projects at limits of cost aggregating $53,577,000, and carry a total request for appropriation of $13,000,000. This amount, together with the appropriations already available and those requested in the urgent deficiency for this year, will provide ample funds for expenditure within the yearly limit of $25,000,000 fixed in the act.

REDUCTION IN SIZE OF PAPER CURRENCY

During the past year an exhaustive study involving the designs of the paper currency issues of the United States has been completed and definite conclusions have been reached. New designs are being prepared which will eliminate the existing confusion, and the size will be reduced about one-third.

For many years there has been a constantly growing demand for increased supplies of paper currency. Many factors have entered into the situation, among them being the growth of the country in population and wealth and the more extended use of paper instead of coin. During the past decade the paper currency outstanding has increased from 536,600,000 pieces, in amount exceeding $4,212,000,000, to 865,300,000 pieces, in amount approximating $5,715,000,000.

In order to meet the currency requirements the Bureau of Engraving and Printing delivered 514,688,000 pieces during 1917 and 922,339,000 pieces during 1927. Constantly increasing appropriations have been required and it was apparent should the increase continue it would be necessary to provide additional production facilities. Both of these considerations have been effectively met by the action taken.

The reduction in size will serve the public convenience, will create substantial savings in expense of manufacture and will insure that existing manufacturing facilities will meet increased demands for many years to come.

SECOND LIBERTY LOAN

The retirement and refunding of our second Liberty loan has aided materially in lessening our interest charges. On February 28, 1927, there were outstanding $3,104,520,050 second Liberty loan bonds, practically all of which bore interest at the rate of 4¼ per cent. From

February 28, 1927, to November 18, 1927, bonds to the value of $575,000,000 were retired with funds available for debt reduction. The remainder, approximately $2,500,000,000, are being refunded into securities bearing interest at the rate of 3½ per cent and under.

The saving in annual interest by the debt reduction effected by retirement of these bonds amounts to over $24,000,000 and the annual saving effected by the refunding operations will amount to more than $21,000,000, making a total annual saving in interest of more than $45,000,000. The total reduction of annual interest due to refunding and payments on the national debt for the calendar year 1927 will be about $75,000,000. CALVIN COOLIDGE.

FIFTH ANNUAL MESSAGE

THE WHITE HOUSE, *December 6, 1927.*

Members of the Congress:

It is gratifying to report that for the fourth consecutive year the state of the Union in general is good. We are at peace. The country as a whole has had a prosperity never exceeded. Wages are at their highest range, employment is plentiful. Some parts of agriculture and industry have lagged; some localities have suffered from storm and flood. But such losses have been absorbed without serious detriment to our great economic structure. Stocks of goods are moderate and a wholesome caution is prevalent. Rates of interest for industry, agriculture, and government have been reduced. Savers and investors are providing capital for new construction in industry and public works. The purchasing power of agriculture has increased. If the people maintain that confidence which they are entitled to have in themselves, in each other, and in America, a comfortable prosperity will continue.

CONSTRUCTIVE ECONOMY

Without constructive economy in Government expenditures we should not now be enjoying these results of these prospects. Because we are not now physically at war, some people are disposed to forget that our war debt still remains. The nation must make financial sacrifices, accompanied by a stern self-denial in public expenditures, until we have conquered the disabilities of our public finance. While our obligations to veterans and dependents is large and continuing, the heavier burden of the national debt is being steadily eliminated. At the end of this fiscal year it will be reduced from about $26,600,000,000 to about $17,975,000,000. Annual interest, including war savings, will have been reduced from $1,055,000,000 to $670,000,000. The sacrifices of the people, the economy of the Government, are showing

remarkable results. They should be continued for the purpose of relieving the nation of the burden of interest and debt and releasing revenue for internal improvements and national development.

Not only the amount, but the rate, of Government interest has been reduced. Callable bonds have been refunded and paid, so that during this year the average rate of interest on the present public debt for the first time fell below 4 per cent. Keeping the credit of the nation high is a tremendously profitable operation.

TAX REDUCTION

The immediate fruit of economy and the retirement of the public debt is tax reduction. The annual saving in interest between 1925 and 1929 is $212,000,000. Without this no bill to relieve the taxpayers would be worth proposing. The three measures already enacted leave our Government revenues where they are not oppressive. Exemptions have been increased until 115,000,000 people make up 2,500,000 individual taxable returns, so that further reduction should be mainly for the purpose of removing inequalities. The Secretary of the Treasury has recommended a measure which would give us a much better balanced system of taxation and without oppression produce sufficient revenue. It has my complete support.

Unforeseen contingencies requiring money are always arising. Our probable surplus for June 30, 1929, is small. A slight depression in business would greatly reduce our revenue because of our present method of taxation. The people ought to take no selfish attitude of pressing for removing moderate and fair taxes which might produce a deficit. We must keep our budget balanced for each year. That is the corner stone of our national credit, the trifling price we pay to command the lowest rate of interest of any great power in the world. Any surplus can be applied to debt reduction, and debt reduction is tax reduction. Under the present circumstances it would be far better to leave the rates as they are than to enact a bill carrying the peril of a deficit. This is not a problem to be approached in a narrow or partisan spirit. All of those who participate in finding a reasonable solution will be entitled to participate in any credit that accrues from it without regard to party. The Congress has already demonstrated that tax legislation can be removed from purely political consideration into the realm of patriotic business principles.

Any bill for tax reduction should be written by those who are responsible for raising, managing, and expending the finances of the Government. If special interests, too often selfish, always unimformed of the national needs as a whole, with hired agents using their proposed beneficiaries as engines of propaganda, are permitted to influence the withdrawal of their property from taxation, we shall have a law that

is unbalanced and unjust, bad for business, bad for the country, probably resulting in a deficit, with disastrous financial consequences. The Constitution has given the members of the Congress sole authority to decide what tax measures shall be presented for approval. While welcoming information from any quarter, the Congress should continue to exercise its own judgment in a matter so vital and important to all the interests of the country as taxation.

NATIONAL DEFENSE

Being a nation relying not on force, but on fair dealing and good will, to maintain peace with others, we have provided a moderate military force in a form adapted solely to defense. It should be continued with a very generous supply of officers and with the present base of personnel, subject to fluctuations which may be temporarily desirable.

The five-year program for our air forces is in keeping with this same policy and commensurate with the notable contributions of America to the science of æronautics. The provisions of the law lately enacted are being executed as fast as the practical difficulties of an orderly and stable development permit.

While our Army is small, prudence requires that it should be kept in a high state of efficiency and provided with such supplies as would permit of its immediate expansion. The garrison ration has lately been increased. Recommendations for an appropriation of $6,166,000 for new housing made to the previous Congress failed to pass. While most of the Army is well housed, some of it which is quartered in war-time training camps is becoming poorly housed. In the past three years $12,533,000 have been appropriated for reconstruction and repairs, and an authorization has been approved of $22,301,000 for new housing, under which $8,070,000 has already been appropriated. A law has also been passed, complying with the request of the War Department, allocating funds received from the sale of buildings and land for housing purposes. The work, however, is not completed, so that other appropriations are being recommended.

Our Navy is likewise a weapon of defense. We have a foreign commerce and ocean lines of trade unsurpassed by any other country. We have outlying territory in the two great oceans and long stretches of seacoast studded with the richest cities in the world. We are responsible for the protection of a large population and the greatest treasure ever bestowed upon any people. We are charged with an international duty of defending the Panama Canal. To meet these responsibilities we need a very substantial sea armament. It needs aircraft development, which is being provided under the five-year program. It needs submarines as soon as the department decides upon

the best type of construction. It needs airplane carriers and a material addition to its force of cruisers. We can plan for the future and begin a moderate building program.

This country has put away the Old World policy of competitive armaments. It can never be relieved of the responsibility of adequate national defense. We have one treaty secured by an unprecedented attitude of generosity on our part for a limitation in naval armament. After most careful preparation, extending over months, we recently made every effort to secure a three-power treaty to the same end. We were granted much coöperation by Japan, but we were unable to come to an agreement with Great Britain. While the results of the conference were of considerable value, they were mostly of a negative character. We know now that no agreement can be reached which will be inconsistent with a considerable building program on our part. We are ready and willing to continue the preparatory investigations on the general subject of limitation of armaments which have been started under the auspices of the League of Nations.

We have a considerable cruiser tonnage, but a part of it is obsolete. Everyone knew that had a three-power agreement been reached it would have left us with the necessity of continuing our building program. The failure to agree should not cause us to build either more or less than we otherwise should. Any future treaty of limitation will call on us for more ships. We should enter on no competition. We should refrain from no needful program. It should be made clear to all the world that lacking a definite agreement, the attitude of any other country is not to be permitted to alter our own policy. It should especially be demonstrated that propaganda will not cause us to change our course. Where there is no treaty limitation, the size of the Navy which America is to have will be solely for America to determine. No outside influence should enlarge it or diminish it. But it should be known to all that our military power holds no threat of aggrandizement. It is a guaranty of peace and security at home, and when it goes abroad it is an instrument for the protection of the legal rights of our citizens under international law, a refuge in time of disorder, and always the servant of world peace. Wherever our flag goes the rights of humanity increase.

MERCHANT MARINE

The United States Government fleet is transporting a large amount of freight and reducing its drain on the Treasury. The Shipping Board is constantly under pressure, to which it too often yields, to protect private interests, rather than serve the public welfare. More attention should be given to merchant ships as an auxiliary of the Navy. The possibility of including their masters and crews in the

Naval Reserve, with some reasonable compensation, should be thoroughly explored as a method of encouraging private operation of shipping. Public operation is not a success. No investigation, of which I have caused several to be made, has failed to report that it could not succeed or to recommend speedy transfer to private ownership. Our exporters and importers are both indifferent about using American ships. It should be our policy to keep our present vessels in repair and dispose of them as rapidly as possible, rather than undertake any new construction. Their operation is a burden on the National Treasury, for which we are not receiving sufficient benefits.

COMMERCIAL AVIATION

A rapid growth is taking place in æronautics. The Department of Commerce has charge of the inspection and licensing system and the construction of national airways. Almost 8,000 miles are already completed and about 4,000 miles more contemplated. Nearly 4,400 miles are now equipped and over 3,000 miles more will have lighting and emergency landing fields by next July. Air mail contracts are expected to cover 24 of these lines. Daily airway flying is nearly 15,000 miles and is expected to reach 25,000 miles early next year.

Flights for other purposes exceed 22,000 miles each day. Over 900 airports, completed and uncompleted, have been laid out. The demand for aircraft has greatly increased. The policy already adopted by the Congress is producing the sound development of this coming industry.

WESTERN HEMISPHERE AIR MAIL

Private enterprise is showing much interest in opening up aviation service to Mexico and Central and South America. We are particularly solicitous to have the United States take a leading part in this development. It is understood that the governments of our sister countries would be willing to coöperate. Their physical features, the undeveloped state of their transportation, make an air service especially adaptable to their usage. The Post Office Department should be granted power to make liberal long-term contracts for carrying our mail, and authority should be given to the Army and the Navy to detail aviators and planes to coöperate with private enterprise in establishing such mail service with the consent of the countries concerned. A committee of the Cabinet will later present a report on this subject.

GOOD ROADS

The importance and benefit of good roads is more and more coming to be appreciated. The national Government has been making liberal contributions to encourage their construction. The results and benefits have been very gratifying. National participation, however, should

be confined to trunk-line systems. The national tax on automobiles is now nearly sufficient to meet this outlay. This tax is very small, and on low-priced cars is not more than $2 or $3 each year.

While the advantage of having good roads is very large, the desire for improved highways is not limited to our own country. It should and does include all the Western Hemisphere. The principal points in Canada are already accessible. We ought to lend our encouragement in any way we can for more good roads to all the principal points in this hemisphere south of the Rio Grande. It has been our practice to supply these countries with military and naval advisers, when they have requested it, to assist them in national defense. The arts of peace are even more important to them and to us. Authority should be given by law to provide them at their request with engineering advisers for the construction of roads and bridges. In some of these countries already wonderful progress is being made in road building, but the engineering features are often very exacting and the financing difficult. Private interests should look with favor on all reasonable loans sought by these countries to open such main lines of travel.

This general subject has been promoted by the Pan American Congress of Highways, which will convene again at Rio de Janeiro in July, 1928. It is desirable that the Congress should provide for the appointment of delegates to represent the Government of the United States.

CUBAN PARCEL POST

We have a temporary parcel-post convention with Cuba. The advantage of it is all on our side. During 1926 we shipped twelve times as many parcels, weighing twenty-four times as much, as we received. This convention was made on the understanding that we would repeal an old law prohibiting the importation of cigars and cigarettes in quantities less than 3,000 enacted in 1866 to discourage smuggling, for which it has long been unnecessary. This law unjustly discriminates against an important industry of Cuba. Its repeal has been recommended by the Treasury and Post Office Departments. Unless this is done our merchants and railroads will find themselves deprived of this large parcel-post business after the 1st of next March, the date of the expiration of the convention, which has been extended upon the specific understanding that it would expire at that time unless this legislation was enacted. We purchase large quantities of tobacco made in Cuba. It is not probable that our purchases would be any larger if this law was repealed, while it would be an advantage to many other industries in the United States.

INSULAR POSSESSIONS

Conditions in the Philippine Islands have been steadily improved. Contentment and good order prevail. Roads, irrigation works, harbor

improvements, and public buildings are being constructed. Public education and sanitation have been advanced. The Government is in a sound financial condition. These immediate results were especially due to the administration of Governor General Leonard Wood. The six years of his governorship marked a distinct improvement in the Islands and rank as one of the outstanding accomplishments of this distinguished man. His death is a loss to the nation and the Islands.

Greater progress could be made, more efficiency could be put into administration, if the Congress would undertake to expend, through its appropriating power, all or a part of the customs revenues which are now turned over to the Philippine treasury. The powers of the auditor of the Islands also need revision and clarification. The government of the Islands is about 98 per cent in the hands of the Filipinos. An extension of the policy of self-government will be hastened by the demonstration on their part of their desire and their ability to carry out cordially and efficiently the provisions of the organic law enacted by the Congress for the government of the Islands. It would be well for a committee of the Congress to visit the Islands every two years.

A fair degree of progress is being made in Porto Rico. Its agricultural products are increasing; its treasury position, which has given much concern, shows improvement. I am advised by the governor that educational facilities are still lacking. Roads are being constructed, which he represents are the first requisite for building schoolhouses. The loyalty of the island to the United States is exceedingly gratifying. A memorial will be presented to you requesting authority to have the governor elected by the people of Porto Rico. This was never done in the case of our own Territories. It is admitted that education outside of the towns is as yet very deficient. Until it has progressed further the efficiency of the government and the happiness of the people may need the guiding hand of an appointed governor. As it is not contemplated that any change should be made immediately, the general subject may well have the thoughtful study of the Congress.

PANAMA CANAL

The number of commercial ships passing through the Panama Canal has increased from 3,967 in 1923 to 5,475 in 1927. The total amount of tolls turned into the Treasury is over $166,000,000, while all the operations of the canal have yielded a surplus of about $80,000,000. In order to provide additional storage of water and give some control over the floods of the Chagres River, it is proposed to erect a dam to cost about $12,000,000 at Alhajuela. It will take some five years to complete this work.

AGRICULTURE

The past year has seen a marked improvement in the general condition of agriculture. Production is better balanced and without acute shortage or heavy surplus. Costs have been reduced and the average output of the worker increased. The level of farm prices has risen, while others have fallen, so that the purchasing power of the farmer is approaching a normal figure. The individual farmer is entitled to great credit for the progress made since 1921. He has adjusted his production and through coöperative organizations and other methods improved his marketing. He is using authenticated facts and employing sound methods which other industries are obliged to use to secure stability and prosperity. The old-fashioned haphazard system is being abandoned, economics are being applied to ascertain the best adapted unit of land, diversification is being promoted, and scientific methods are being used in production, and business principles in marketing.

Agriculture has not fully recovered from postwar depression. The fact is that economic progress never marches forward in a straight line. It goes in waves. One part goes ahead, while another halts and another recedes. Everybody wishes agriculture to prosper. Any sound and workable proposal to help the farmer will have the earnest support of the Government. Their interests are not all identical. Legislation should assist as many producers in as many regions as possible. It should be the aim to assist the farmer to work out his own salvation socially and economically. No plan will be of any permanent value to him which does not leave him standing on his own foundation.

In the past the Government has spent vast sums to bring land under cultivation. It is apparent that this has reached temporarily the saturation point. We have had a surplus of production and a poor market for land, which has only lately shown signs of improvement. The main problem which is presented for solution is one of dealing with a surplus of production. It is useless to propose a temporary expedient. What is needed is permanency and stability. Government price fixing is known to be unsound and bound to result in disaster. A Government subsidy would work out in the same way. It can not be sound for all of the people to hire some of the people to produce a crop which neither the producers nor the rest of the people want.

Price fixing and subsidy will both increase the surplus, instead of diminishing it. Putting the Government directly into business is merely a combination of subsidy and price fixing aggravated by political pressure. These expedients would lead logically to telling the farmer by law what and how much he should plant and where he should plant

it, and what and how much he should sell and where he should sell it. The most effective means of dealing with surplus crops is to reduce the surplus acreage. While this can not be done by the individual farmer, it can be done through the organizations already in existence, through the information published by the Department of Agriculture, and especially through banks and others who supply credit refusing to finance an acreage manifestly too large.

It is impossible to provide by law for an assured success and prosperity for all those who engage in farming. If acreage becomes overextended, the Government can not assume responsibility for it. The Government can, however, assist coöperative associations and other organizations in orderly marketing and handling a surplus clearly due to weather and seasonal conditions, in order to save the producer from preventable loss. While it is probably impossible to secure this result at a single step, and much will have to be worked out by trial and rejection, a beginning could be made by setting up a Federal board or commission of able and experienced men in marketing, granting equal advantages under this board to the various agricultural commodities and sections of the country, giving encouragement to the coöperative movement in agriculture, and providing a revolving loan fund at a moderate rate of interest for the necessary financing. Such legislation would lay the foundation for a permanent solution of the surplus problem.

This is not a proposal to lend more money to the farmer, who is already fairly well financed, but to lend money temporarily to experimental marketing associations which will no doubt ultimately be financed by the regularly established banks, as were the temporary operations of the War Finance Corporation. Coöperative marketing especially would be provided with means of buying or building physical properties.

The national Government has almost entirely relieved the farmer from income taxes by successive tax reductions, but state and local taxes have increased, putting on him a grievous burden. A policy of rigid economy should be applied to state and local expenditures. This is clearly within the legislative domain of the states. The federal Government has also improved our banking structure and system of agricultural credits. The farmer will be greatly benefited by similar action in many states. The Department of Agriculture is undergoing changes in organization in order more completely to separate the research and regulatory divisions, that each may be better administered. More emphasis is being placed on the research program, not only by enlarging the appropriations for state experiment stations but by providing funds for expanding the research work of the department. It is in this direction that much future progress can be expected.

THE PROTECTIVE TARIFF

The present tariff rates supply the national treasury with well over $600,000,000 of annual revenue. Yet, about 65 per cent of our imports come in duty free. Of the remaining 35 per cent of imports on which duties are laid about 23 per cent consists of luxuries and agricultural products, and the balance of about 12 per cent, amounting to around $560,000,000, is made up of manufactures and merchandise. As no one is advocating any material reduction in the rates on agriculture or luxuries, it is only the comparatively small amount of about $560,000,000 of other imports that are really considered in any discussion of reducing tariff rates. While this amount, duty free, would be large enough seriously to depress many lines of business in our own country, it is of small importance when spread over the rest of the world.

It is often stated that a reduction of tariff rates on industry would benefit agriculture. It would be interesting to know to what commodities it is thought this could be applied. Everything the farmer uses in farming is already on the free list. Nearly everything he sells is protected. It would seem to be obvious that it is better for the country to have the farmer raise food to supply the domestic manufacturer than the foreign manufacturer. In one case our country would have only the farmer; in the other it would have the farmer and the manufacturer. Assuming that Europe would have more money if it sold us larger amounts of merchandise, it is not certain it would consume more food, or, if it did, that its purchases would be made in this country. Undoubtedly it would resort to the cheapest market, which is by no means ours. The largest and best and most profitable market for the farmer in the world is our own domestic market. Any great increase in manufactured imports means the closing of our own plants. Nothing could be worse for agriculture.

Probably no one expects a material reduction in the rates on manufactures while maintaining the rates on agriculture. A material reduction in either would be disastrous to the farmer. It would mean a general shrinkage of values, a deflation of prices, a reduction of wages, a general depression carrying our people down to the low standard of living in our competing countries. It is obvious that this would not improve but destroy our market for imports, which is best served by maintaining our present high purchasing power under which in the past five years imports have increased 63 per cent.

FARM LOAN SYSTEM

It is exceedingly important that the federal land and joint-stock land banks should furnish the best possible service for agriculture. Certain joint-stock banks have fallen into improper and unsound

practices, resulting in the indictment of the officials of three of them. More money has been provided for examinations, and at the instance of the Treasury rules and regulations of the Federal Farm Board have been revised. Early last May three of its members resigned. Their places were filled with men connected with the War Finance Corporation, Eugene Meyer being designated as Farm Loan Commissioner. The new members have demonstrated their ability in the field of agricultural finance in the extensive operations of the War Finance Corporation. Three joint-stock banks have gone into receivership. It is necessary to preserve the public confidence in this system in order to find a market for their bonds. A recent flotation was made at a record low rate of 4 per cent. Careful supervision is absolutely necessary to protect the investor and enable these banks to exercise their chief function in serving agriculture.

MUSCLE SHOALS

The last year has seen considerable changes in the problem of Muscle Shoals. Development of other methods show that nitrates can probably be produced at less cost than by the use of hydroelectric power. Extensive investigation made by the Department of War indicates that the nitrate plants on this project are of little value for national defense and can probably be disposed of within two years. The oxidation part of the plants, however, should be retained indefinitely. This leaves this project mostly concerned with power. It should, nevertheless, continue to be dedicated to agriculture. It is probable that this desire can be best served by disposing of the plant and applying the revenues received from it to research for methods of more economical production of concentrated fertilizer and to demonstrations and other methods of stimulating its use on the farm. But in disposing of the property preference should be given to proposals to use all or part of it for nitrate production and fertilizer manufacturing.

FLOOD CONTROL

For many years the federal Government has been building a system of dikes along the Mississippi River for protection against high water. During the past season the lower states were overcome by a most disastrous flood. Many thousands of square miles were inundated, a great many lives were lost, much livestock was drowned, and a very heavy destruction of property was inflicted upon the inhabitants. The American Red Cross at once went to the relief of the stricken communities. Appeals for contributions have brought in over $17,000,000. The federal Government has provided services, equipment, and supplies probably amounting to about $7,000,000 more. Between $5,000,000 and $10,000,000 in addition have been provided by local railroads, the

states, and their political units. Credits have been arranged by the Farm Loan Board; and three emergency finance corporations with a total capital of $3,000,000 have insured additional resources to the extent of $12,000,000. Through these means the 700,000 people in the flooded areas have been adequately supported. Provision has been made to care for those in need until after the 1st of January.

The Engineer Corps of the Army has contracted to close all breaks in the dike system before the next season of high water. A most thorough and elaborate survey of the whole situation has been made and embodied in a report with recommendations for future flood control, which will be presented to the Congress. The carrying out of their plans will necessarily extend over a series of years. They will call for a raising and strengthening of the dike system with provision for emergency spillways and improvements for the benefit of navigation.

Under the present law the land adjacent to the dikes has paid one-third of the cost of their construction. This has been a most extraordinary concession from the plan adopted in relation to irrigation, where the general rule has been that the land benefited should bear the entire expense. It is true, of course, that the troublesome waters do not originate on the land to be reclaimed, but it is also true that such waters have a right of way through that section of the country and the land there is charged with that easement. It is the land of this region that is to be benefited. To say that it is unable to bear any expense of reclamation is the same thing as saying that it is not worth reclaiming. Because of expenses incurred and charges already held against this land, it seems probable that some revision will have to be made concerning the proportion of cost which it should bear. But it is extremely important that it should pay enough so that those requesting improvements will be charged with some responsibility for their cost, and the neighborhood where works are constructed have a pecuniary interest in preventing waste and extravagance and securing a wise and economical expenditure of public funds.

It is necessary to look upon this emergency as a national disaster. It has been so treated from its inception. Our whole people have provided with great generosity for its relief. Most of the departments of the federal Government have been engaged in the same effort. The governments of the afflicted areas, both state and municipal, can not be given too high praise for the courageous and helpful way in which they have come to the rescue of the people. If the sources directly chargeable can not meet the demand, the national Government should not fail to provide generous relief. This, however, does not mean restoration. The Government is not an insurer of its citizens against the hazard of the elements. We shall always have flood and drought, heat and cold, earthquakes and wind, lightning and tidal wave,

which are all too constant in their afflictions. The Government does not undertake to reimburse its citizens for loss and damage incurred under such circumstances. It is chargeable, however, with the rebuilding of public works and the humanitarian duty of relieving its citizens from distress.

The people in the flooded area and their representatives have approached this problem in the most generous and broad-minded way. They should be met with a like spirit on the part of the national Government. This is all one country. The public needs of each part must be provided for by the public at large. No required relief should be refused. An adequate plan should be adopted to prevent a recurrence of this disaster in order that the people may restore to productivity and comfort their fields and their towns.

Legislation by this Congress should be confined to our principal and most pressing problem, the lower Mississippi, considering tributaries only so far as they materially affect the main flood problem. A definite federal program relating to our waterways was proposed when the last Congress authorized a comprehensive survey of all the important streams of the country in order to provide for their improvement, including flood control, navigation, power, and irrigation. Other legislation should wait pending a report on this survey. The recognized needs of the Mississippi should not be made a vehicle for carrying other projects. All proposals for development should stand on their own merits. Any other method would result in ill-advised conclusions, great waste of money, and instead of promoting would delay the orderly and certain utilization of our water resources.

Very recently several of the New England states have suffered somewhat similarly from heavy rainfall and high water. No reliable estimate of damage has yet been computed, but it is very large to private and public property. The Red Cross is generously undertaking what is needed for immediate relief, repair and reconstruction of houses, restocking of domestic animals, and food, clothing, and shelter. A considerable sum of money will be available through the regular channels in the Department of Agriculture for reconstruction of highways. It may be necessary to grant special aid for this purpose. Complete reports of what is required will undoubtedly be available early in the session.

INLAND NAVIGATION

The Congress in its last session authorized the general improvements necessary to provide the Mississippi waterway system with better transportation. Stabilization of the levels of the Great Lakes and their opening to the sea by an effective shipway remain to be considered. Since the last session the Board of Engineers of the War Department

has made a report on the proposal for a canal through the state of New York, and the Joint Board of Engineers, representing Canada and the United States, has finished a report on the St. Lawrence River. Both of these boards conclude that the St. Lawrence project is cheaper, affords a more expeditious method of placing western products in European markets, and will cost less to operate. The State Department has requested the Canadian Government to negotiate treaties necessary to provide for this improvement It will also be necessary to secure an agreement with Canada to put in works necessary to prevent fluctuation in the levels of the Great Lakes.

Legislation is desirable for the construction of a dam at Boulder Canyon on the Colorado River, primarily as a method of flood control and irrigation. A secondary result would be a considerable power development and a source of domestic water supply for southern California. Flood control is clearly a national problem, and water supply is a Government problem, but every other possibility should be exhausted before the federal Government becomes engaged in the power business. The states which are interested ought to reach mutual agreement. This project is in reality their work. If they wish the federal Government to undertake it, they should not hesitate to make the necessary concessions to each other. This subject is fully discussed in the annual report of the Secretary of the Interior. The Columbia River Basin project is being studied and will be one to be considered at some future time.

The Inland Waterways Corporation is proving successful and especially beneficial to agriculture. A survey is being made to determine its future needs. It has never been contemplated that if inland rivers were opened to navigation it would then be necessary for the federal Government to provide the navigation. Such a request is very nearly the equivalent of a declaration that their navigation is not profitable, that the commodities which they are to carry can be taken at a cheaper rate by some other method, in which case the hundreds of millions of dollars proposed to be expended for opening rivers to navigation would be not only wasted, but would entail further constant expenditures to carry the commodities of private persons for less than cost.

The policy is well established that the Government should open public highways on land and on water, but for use of the public in their private capacity. It has put on some demonstration barge lines, but always with the expectation that if they prove profitable they would pass into private hands and if they do not prove profitable they will be withdrawn. The problems of transportation over inland waterways should be taken up by private enterprise, so that the public will have the advantage of competition in service. It is expected that some of our lines can be sold, some more demonstration work

done, and that with the completion of the Ohio project a policy of private operation can be fully developed.

PROHIBITION

After more than two generations of constant debate, our country adopted a system of national prohibition under all the solemnities involved in an amendment to the federal Constitution. In obedience to this mandate the Congress and the states, with one or two notable exceptions, have passed required laws for its administration and enforcement. This imposes upon the citizenship of the country, and especially on all public officers, not only the duty to enforce, but the obligation to observe the sanctions of this constitutional provision and its resulting laws. If this condition could be secured, all question concerning prohibition would cease. The federal Government is making every effort to accomplish these results through careful organization, large appropriations, and administrative effort. Smuggling has been greatly cut down, the larger sources of supply for illegal sale have been checked, and by means of injunction and criminal prosecution the process of enforcement is being applied. The same vigilance on the part of local governments would render these efforts much more successful. The federal authorities propose to discharge their obligation for enforcement to the full extent of their ability.

THE NEGRO

History does not anywhere record so much progress made in the same length of time as that which has been accomplished by the Negro race in the United States since the Emancipation Proclamation. They have come up from slavery to be prominent in education, the professions, art, science, agriculture, banking, and commerce. It is estimated that 50,000 of them are on the Government pay rolls, drawing about $50,000,000 each year. They have been the recipients of presidential appointments and their professional ability has arisen to a sufficiently high plane so that they have been intrusted with the entire management and control of the great veterans' hospital at Tuskegee, where their conduct has taken high rank. They have shown that they have been worthy of all the encouragement which they have received. Nevertheless, they are too often subjected to thoughtless and inconsiderate treatment, unworthy alike of the white or colored races. They have especially been made the target of the foul crime of lynching. For several years these acts of unlawful violence had been diminishing. In the last year they have shown an increase. Every principle of order and law and liberty is opposed to this crime. The Congress should enact any legislation it can under the Constitution to provide for its elimination.

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THE WASHINGTON MONUMENT

AMERICAN INDIAN

The condition of the American Indian has much improved in recent years. Full citizenship was bestowed upon them on June 2, 1924, and appropriations for their care and advancement have been increased. Still there remains much to be done.

Notable increases in appropriations for the several major functions performed by the Department of the Interior on behalf of the Indians have marked the last five years. In that time, successive annual increases in appropriations for their education total $1,804,325; for medical care, $578,000; and for industrial advancement, $205,000; or $2,582,325 more than would have been spent in the same period on the basis of appropriations for 1923 and the preceding years.

The needs along health, education, industrial, and social lines, however, are great, and the Budget estimates for 1929 include still further increases for Indian administration.

To advance the time when the Indians may become self-sustaining, it is my belief that the Federal Government should continue to improve the facilities for their care, and as rapidly as possible turn its responsibility over to the States.

COAL

Legislation authorizing a system of fuel administration and the appointment by the President of a Board of Mediation and Conciliation in case of actual or threatened interruption of production is needed. The miners themselves are now seeking information and action from the Government, which could readily be secured through such a board. It is believed that a thorough investigation and reconsideration of this proposed policy by the Congress will demonstrate that this recommendation is sound and should be adopted.

PETROLEUM CONSERVATION

The national Government is undertaking to join in the formation of a coöperative committee of lawyers, engineers, and public officers, to consider what legislation by the states or by the Congress can be adopted for the preservation and conservation of our supply of petroleum. This has come to be one of the main dependencies for transportation and power so necessary to our agricultural and industrial life. It is expected the report of this committee will be available for later congressional action. Meantime, the requirement that the Secretary of the Interior should make certain leases of land belonging to the Osage Indians, in accordance with the act of March 3, 1921, should be repealed. The authority to lease should be discretionary, in order that the property of the Indians may not be wasted and the public suffer a future lack of supply.

ALIEN PROPERTY

Under treaty the property held by the Alien Property Custodian was to be retained until suitable provision had been made for the satisfaction of American claims. While still protecting the American claimants, in order to afford every possible accommodation to the nationals of the countries whose property was held, the Congress has made liberal provision for the return of a large part of the property. All trusts under $10,000 were returned in full, and partial returns were made on the others. The total returned was approximately $350,000,000.

There is still retained, however, about $250,000,000. The Mixed Claims Commission has made such progress in the adjudication of claims that legislation can now be enacted providing for the return of the property, which should be done under conditions which will protect our Government and our claimants. Such a measure will be proposed, and I recommend its enactment.

RAILROAD CONSOLIDATION

In order to increase the efficiency of transportation and decrease its cost to the shipper, railroad consolidation must be secured. Legislation is needed to simplify the necessary procedure to secure such agreements and arrangements for consolidation, always under the control and with the approval of the Interstate Commerce Commission. Pending this, no adequate or permanent reorganization can be made of the freight-rate structure. Meantime, both agriculture and industry are compelled to wait for needed relief. This is purely a business question, which should be stripped of all local and partisan bias and decided on broad principles and its merits in order to promote the public welfare. A large amount of new construction and equipment, which will furnish employment for labor and markets for commodities of both factory and farm, wait on the decision of this important question. Delay is holding back the progress of our country.

Many of the same arguments are applicable to the consolidation of the Washington traction companies.

VETERANS

The care which this country has lavished on its veterans is known of all men. The yearly outlay for this purpose is about $750,000,000, or about the cost of running the federal Government, outside of the Post Office Department, before the World War. The Congress will have before it recommendations of the American Legion, the Veterans of Foreign Wars, and other like organizations, which should receive candid consideration. We should continue to foster our system of compensation and rehabilitation, and provide hospitals and insurance.

The magnitude of the undertaking is already so large that all requests calling for further expenditure should have the most searching scrutiny. Our present system of pensions is already sufficiently liberal. It was increased by the last Congress for Civil and Spanish War veterans and widows and for some dependents.

It has been suggested that the various governmental agencies now dealing with veterans' relief be consolidated. This would bring many advantages. It is recommended that the proper committees of the Congress make a thorough survey of this subject, in order to determine if legislation to secure such consolidation is desirable.

EDUCATION

For many years it has been the policy of the Federal Government to encourage and foster the cause of education. Large sums of money are annually appropriated to carry on vocational training. Many millions go into agricultural schools. The general subject is under the immediate direction of a Commissioner of Education. While this subject is strictly a state and local function, it should continue to have the encouragement of the national Government. I am still of the opinion that much good could be accomplished through the establishment of a Department of Education and Relief, into which would be gathered all of these functions under one directing member of the Cabinet.

DEPARTMENT OF LABOR

Industrial relations have never been more peaceful. In recent months they have suffered from only one serious controversy. In all others difficulties have been adjusted, both management and labor wishing to settle controversies by friendly agreement rather than by compulsion. The welfare of women and children is being especially guarded by our Department of Labor. Its Children's Bureau is in coöperation with 26 State boards and 80 juvenile courts.

Through its Bureau of Immigration it has been found that medical examination abroad has saved prospective immigrants from much hardship. Some further legislation to provide for reuniting families when either the husband or the wife is in this country, and granting more freedom for the migration of the North American Indian tribes, is desirable.

The United States Employment Service has enabled about 2,000,000 men and women to gain paying positions in the last fiscal year. Particular attention has been given to assisting men past middle life and in providing field labor for harvesting agricultural crops. This has been made possible in part through the service of the Federal Board for Vocational Education, which is coöperating with the States in a program to increase the technical knowledge and skill of the wage earner.

PUBLIC BUILDINGS

Construction is under way in the country and ground has been broken for carrying out a public-building program for Washington. We have reached a time when not only the conveniences but the architectural beauty of the public buildings of the Capital City should be given much attention. It will be necessary to purchase further land and provide the required continuing appropriations.

HISTORICAL CELEBRATIONS

Provision is being made to commemorate the two hundredth anniversary of the birth of George Washington. Suggestion has been made for the construction of a memorial road leading from the Capital to Mount Vernon, which may well have the consideration of the Congress, and the commission intrusted with preparations for the celebration will undoubtedly recommend publication of the complete writings of Washington and a series of writings by different authors relating to him.

February 25, 1929, is the one hundred and fiftieth anniversary of the capture of Fort Sackville, at Vincennes, in the State of Indiana. This eventually brought into the Union what was known as the Northwest Territory, embracing the region north of the Ohio River between the Alleghenies and the Mississippi River. This expedition was led by George Rogers Clark. His heroic character and the importance of his victory are too little known and understood. They gave us not only this Northwest Territory but by means of that the prospect of reaching the Pacific. The state of Indiana is proposing to dedicate the site of Fort Sackville as a national shrine. The Federal Government may well make some provision for the erection under its own management of a fitting memorial at that point.

FOREIGN RELATIONS

It is the policy of the United States to promote peace. We are a peaceful people and committed to the settling of disputes by amicable adjustment rather than by force. We have believed that peace can best be secured by a faithful observance on our part of the principles of international law, accompanied by patience and conciliation, and requiring of others a like treatment for ourselves. We have lately had some difference with Mexico relative to the injuries inflicted upon our nationals and their property within that country. A firm adherence to our rights and a scrupulous respect for the sovereignty of Mexico, both in accordance with the law of nations, coupled with patience and forbearance, it is hoped will resolve all our differences without interfering with the friendly relationship between the two Governments.

We have been compelled to send naval and marine forces to China to protect the lives and property of our citizens. Fortunately their

simple presence there has been sufficient to prevent any material loss of life. But there has been considerable loss of property. That unhappy country is torn by factions and revolution which bid fair to last for an indefinite period. Meanwhile we are protecting our citizens and stand ready to cooperate with any government which may emerge in promoting the welfare of the people of China. They have always had our friendship, and they should especially merit our consideration in these days of their distraction and distress.

We were confronted by similar condition on a small scale in Nicaragua. Our marine and naval forces protected our citizens and their property and prevented a heavy sacrifice of life and the destruction of that country by a reversion to a state of revolution. Henry L. Stimson, former Secretary of War, was sent there to coöperate with our diplomatic and military officers in effecting a settlement between the contending parties. This was done on the assurance that we would coöperate in restoring a state of peace where our rights would be protected by giving our assistance in the conduct of the next presidential election, which occurs in a few months. With this assurance the population returned to their peace-time pursuits, with the exception of some small roving bands of outlaws.

In general, our relations with other countries can be said to have improved within the year. While having a due regard for our own affairs, the protection of our own rights, and the advancement of our own people, we can afford to be liberal toward others. Our example has become of great importance in the world. It is recognized that we are independent, detached, and can and do take a disinterested position in relation to international affairs. Our charity embraces the earth. Our trade is far flung. Our financial favors are widespread. Those who are peaceful and law-abiding realize that not only have they nothing to fear from us, but that they can rely on our moral support. Proposals for promoting the peace of the world will have careful consideration. But we are not a people who are always seeking for a sign. We know that peace comes from honesty and fair dealing, from moderation, and a generous regard for the rights of others. The heart of the Nation is more important than treaties. A spirit of generous consideration is a more certain defense than great armaments. We should continue to promote peace by our example, and fortify it by such international covenants against war as we are permitted under our Constitution to make.

AMERICAN PROGRESS

Our country has made much progress. But it has taken, and will continue to take, much effort. Competition will be keen, the temptation to selfishness and arrogance will be severe, the provocations to deal

harshly with weaker peoples will be many. All of these are embraced in the opportunity for true greatness. They will be overbalanced by coöperation, by generosity, and a spirit of neighborly kindness. The forces of the universe are taking humanity in that direction. In doing good, in walking humbly, in sustaining its own people, in ministering to other nations, America will work out its own mighty destiny.

CALVIN COOLIDGE.

BUDGET MESSAGE, 1927

THE WHITE HOUSE, *December 5, 1927.*

To the Congress of the United States:

Herewith is transmitted the Budget of the United States for the fiscal year ending June 30, 1929. The receipts and expenditures shown in detail in the Budget are summarized in the following statement:

Summary (exclusive of postal revenues and postal expenditures paid from postal revenues)

	Estimated, 1929	Estimated, 1928	Actual, 1927
Receipts:			
Customs	$ 602,000,000.00	$ 602,000,000.00	$ 605,499,983.44
Income tax	2,065,000,000.00	2,165,000,000.00	2,224,992,800.25
Miscellaneous internal revenue	640,545,000.00	638,545,000.00	644,421,541.56
Miscellaneous receipts	501,952,314.00	670,053,091.00	654,480,115.85
Total receipts	$3,809,497,314.00	$4,075,598,091.00	$4,129,394,441.10
Total expenditures (including reduction of the public debt required by law to be made from ordinary receipts)	3,556,957,031.00	3,621,314,285.00	3,493,584,519.40
Excess of receipts	$ 252,540,283.00	$ 454,283,806.00	$ 635,809,921.70

The Budget system has now been in effect a sufficient length of time to enable us to appreciate fully its far-reaching importance. It is directly responsible for our present position of financial stability. That position has been acquired by scientific management of our business affairs. This management has resulted in improvement throughout the entire field covered by Federal operations. It seems inconceivable that such progress could have been made in so short a period after the great world conflict. Yet it has been done. It demonstrates the efficiency of our form of government. The good of all the people is our controlling consideration. And because of this, scientific management of our affairs is

essential. In slightly more than six years we have had substantial reductions in taxes, and in that same period we have enhanced greatly the value of the service which we are rendering the people. We are raising money to pay our long-term commitments. We have provided for adequate national defense. Our housing problems are being cared for. All through our Government activities there have been improvement and progress. Federal activities have kept pace with a growing and progressive Nation. This has all called for orderly procedure, and we are reaping the rewards which follow that course. We can well take the experience of the past as our index to future operations. If we proceed along the orderly lines followed these last years, our continued success is assured.

Since 1920 there have been three reductions in taxes for the purpose of relieving the people of some of their war burdens. The act of November, 1921, lightened the tax load by a reduction of $663,000,000. The act of 1924 afforded additional relief of $519,000,000. The act of 1926 made a further reduction of $422,000,000. Taking these all together, our tax demands have been lessened by $1,604,000,000. This in itself illustrates the value of orderly procedure. The people are permanently richer because of the diminished demands made by the Federal Government. And hand in hand with these material curtailments of the amounts taken from the people the public debt has been reduced. From a peak of more than twenty-six and a half billions of dollars the debt had been reduced on June 30, 1927, by $8,084,794,716. This lowering of the debt means an annual saving in interest of approximately $320,000,000. While this tangible and extraordinary saving emphasized the importance of debt reduction as a preliminary to ultimate adequate tax reduction, we have at this time for consideration the question of further relief to those who pay Federal taxes.

In planning for a revision downward of tax rates the first question that presents itself is the amount of money that can safely be devoted to the purpose without curtailing necessary activities of the Government or threatening a deficit. The extraordinary surplus of June 30, 1927, was $635,809,000, and was made possible by receipts from nonrecurring sources of $414,000,000, only $221,000,000 coming from current and continuing sources. Of this surplus, $612,000,000 was applied to the public debt, effecting an annual interest saving of $24,000,000.

The estimated surplus for this year—which ends with June 30 next—is $454,000,000, of which $318,000,000 is from nonrecurring sources, and $136,000,000 from current and continuing sources. This is an increase of $254,000,000 over the estimate carried in the 1928 Budget, of which increase $158,000,000 is from miscellaneous receipts which include $154,000,000 in receipts from railroads. The remaining $96,000,000 of the increase is found in regular revenue returns.

The estimated surplus for 1929—the coming fiscal year—is $252,540,000, of which $75,000,000 is from nonrecurring sources. This surplus is reached by means of a fairly sanguine estimate of receipts and a carefully restricted estimate of expenditure. The expenditure estimate for 1929 of $3,557,000,000 includes nothing for flood control with the exception of the fifth-year allowance of $10,000,000 in the six-year program authorized by Congress. Other proposed major projects, not yet the subject of legislation, are not provided for in this estimate. It is reasonably certain that some of them will be enacted into law and will call for material advances from the Federal Treasury. This will doubtless have the consideration of the Congress. Careful study of all these factors points to a tax reduction of $225,000,000 as the maximum, and that amount only possible on the assumption that the estimates of expenditure for 1929 be not materially exceeded, and that additional continuing obligations be incurred only to the extent that absolute necessity from the standpoint of public need warrants. Adequate flood protection, of course, meets the requirements of absolute and urgent necessity.

Under the provisions of the Budget and Accounting Act, I recommend to Congress that taxes be reduced by not to exceed $225,000,000.

Each of the three reductions in tax rates since November, 1921, has been measured on the certainty of our ability to stand such reductions. This is the only safe course. It has brought forth a balanced budget. In this we have found our financial stability. We have been operating on the wise plan that reduction in rates of Federal taxes should be permanent. This is the only proper basis for tax reduction. In a business of the magnitude of that of the Federal Government there must be a margin of safety. The fact that this margin has grown to large proportions in the past fiscal years carries no assurance that that will continue. I am in favor of tax reduction. I am not in favor of any such reduction as will jeopardize our financial stability. The assurance that Federal expenditures will be kept within Federal receipts has bulwarked public confidence, it has contributed measurably to the prosperous condition of the country, it has ministered to the justifiable pride of our people in their Government and in its orderly and sane processes. To jeopardize our balanced budget, to do anything that in the most remote degree would threaten to interfere with the orderly processes of wise financing, to take steps in the interest of tax reduction that would necessitate either revolutionary curtailment of important Federal projects and activities or compel a later upward revision of tax rates, or both, is unthinkable. I am convinced the people of this country are overwhelmingly in favor of keeping the Budget balanced and are just as overwhelmingly opposed to any measure or measures that would make any other result even remotely possible.

I am counting on the continued prosperity of the Nation in recommending a tax reduction of $225,000,000. I am also counting on the determined continuance of the campaign for rigid Government economy. I believe that a tax reduction in the sum which I have mentioned is justified. We must, however, preserve the sanctity of a balanced budget. Under the law made by the Congress the President can not countenance a program of expenditure or approve estimates for appropriations that threaten to interfere with the annual balancing of the National Budget.

Estimated receipts for the fiscal year ending June 30, 1927, as carried in the 1928 Budget totaled $4,026,780,688, and estimated expenditure was $3,643,701,593. The year closed, however, with actual receipts of $4,129,394,441.10 and actual expenditures of $3,493,584,519.40. We were fortunate in having a marked increase in receipts, while a material reduction in estimated expenditure, resulting largely from the continuing policy of economy, contributed to the creation of the largest surplus in history, $635,809,921.70.

In the Budget for 1928, transmitted to the Congress December 6, 1926, it was estimated that our receipts for that year would be $3,772,753,077 and our expenditures $3,572,049,214. The surplus indicated was $200,703,863. Today our finances for 1928 present a more favorable outlook. It is now estimated that our receipts for the year now in progress will reach $4,075,598,091 and that our expenditures will be $3,621,314,285. This indicates a surplus of $454,283,806.

The estimates of appropriations contained in this Budget reach a total of $3,505,793,766, which is exclusive of the Postal Service payable from postal receipts. A comparison between the estimates in this Budget and those for the fiscal year 1928 should necessarily include the supplemental estimates for 1928. Many of these were presented to the Congress for consideration in the second deficiency bill, fiscal year 1927. That bill failed of enactment. There has necessarily been a change in these estimates. In the following table a comparison is made with the estimates of appropriations contained in this Budget and the appropriations for 1928 coupled with the estimates pertaining to the latter fiscal year.

The Budget for 1929, herewith submitted, is more complete than any of its predecessors. It is the intent of the law creating a Budget system for the Federal Government that the annual Budget include estimates for all needs of the Government for the full 12 months for which Budget estimates are submitted. In our great and growing Government changes are kaleidoscopic and new needs and imperative new demands arise overnight calling for congressional help. The Chief Executive is committed by law to the policy of making each annual Budget a complete provision for a full year, appreciating the wisdom of such a policy. While actual deficits are rare, supplementals, because of the reasons cited, persist, and persist large in amount and many in number.

	Estimates of Appropriations, 1929	Appropriations, 1928[1]	Supplemental Estimates Submitted for 1928	Total for 1928
Legislative establishment	$ 16,862,930.86	$ 16,554,579.56	$ 1,146,608.75	$ 17,701,188.31
Executive Office	437,180.00	438,460.00	90,000.00	528,460.00
Independent establishments:				
Alaska relief funds	15,000.00	15,000.00	.....	15,000.00
Alien Property Custodian	7,500.00	98,000.00	.....	98,000.00
American Battle Monuments Commission	700,000.00	600,000.00	.....	600,000.00
Arlington Memorial Bridge Commission	2,300,000.00	2,500,000.00	.....	2,500,000.00
Board of Mediation	347,902.00	390,000.00	.....	390,000.00
Board of Tax Appeals	720,740.00	712,780.00	9,000.00	721,780.00
Bureau of Efficiency	210,350.00	210,350.00	.....	210,350.00
Civil Service Commission	1,098,752.00	1,007,442.00	191,500.00	1,198,942.00
Commission of Fine Arts	7,300.00	7,300.00	.....	7,300.00
Employees' Compensation Commission	3,675,000.00	2,698,240.00	950,000.00	3,648,240.00
Federal Board of Vocational Education	8,220,000.00	8,165,230.00	.....	8,165,230.00
Federal Power Commission	120,890.00	42,500.00	.....	42,500.00
Federal Radio Commission	80,560.00	.....	52,186.00	52,186.00
Federal Reserve Board	2,700,000.00	2,700,000.00	.....	2,700,000.00
Federal Trade Commission	963,000.00	984,350.00	.....	984,350.00
General Accounting Office	3,820,000.00	3,833,000.00	10,400.00	3,843,400.00
Housing Corporation	475,750.00	564,236.00	.....	564,236.00
International Trade Exhibition	.....	.....	150,000.00	150,000.00
Interstate Commerce Commission	7,642,337.00	7,811,314.00	170,000.00	7,981,314.00
National Advisory Committee for Aeronautics	600,000.00	525,000.00	25,000.00	550,000.00
Public Buildings and Public Parks	2,584,980.00	2,422,950.00	31,520.00	2,454,470.00
Smithsonian Institution	974,761.00	939,711.00	80,000.00	1,019,711.00
Tariff Commission	749,000.00	682,000.00	39,000.00	721,000.00
U. S. Geographic Board	4,300.00	3,945.00	.....	3,945.00
U. S. Shipping Board and Merchant Fleet Corporation	13,688,750.00	12,290,000.00	.....	12,290,000.00
U. S. Veterans' Bureau	560,060,000.00	545,865,000.00	19,400,000.00	565,265,000.00
Claims, judgments, etc	.....	14,000.00	7,919,489.11	7,933,489.11
Total, Executive Office and independent establishments	$ 612,204,052.00	$ 595,520,808.00	$ 29,118,095.11	$ 624,638,903.11

Deparment of Agriculture	$ 142,753,229.00	$ 139,862,989.00	$ 3,481,560.00	$ 143,344,549.00
Department of Commerce	37,599,460.00	36,630,450.00	838,000.00	37,468,450.00
Department of the Interior	300,190,089.00	285,810,120.00	13,199,801.20	299,009,921.20
Department of Justice	26,784,630.00	26,400,889.50	503,296.00	26,904,185.50
Department of Labor	10,735,840.00	10,159,516.00	1,000.00	10,160,516.00
Navy Department	362,167,020.00	318,131,957.00	23,803,362.55	341,935,319.55
Post-Office Department, postal deficiency, payable from Treas.	15,270,042.00	[2] [3] 30,370,000.00	2,032,164.30	[2] [3] 32,402,164.30
State Department	14,015,188.14	12,155,119.41	971,000.00	13,126,119.41
Treasury Department	316,333,562.00	[4] 275,732,633.00	52,178,222.79	[4] 327,910,855.79
War Department, including Panama Canal	398,823,143.00	371,904,165.00	30,772,778.81	402,676,943.81
District of Columbia	40,431,186.00	38,824,385.00	395,795.74	39,220,180.74
Total, ordinary	$2,294,170,372.00	$2,158,057,611.47	[5] $158,441,685.25	$2,316,499,296.72
Reduction in principal of the public debt:				
Sinking fund	$ 369,209,093.53	$ 354,157,085.00	.....	$ 354,157,085.00
Redemption of securities from Federal reserve bank and Federal intermediate credit bank franchise tax receipts	1,000,000.00	800,000.00	.....	800,000.00
Redemption of bonds, etc., account of repayments of principal and as interest payments on obligations of foreign governments	171,214,300.00	181,963,650.00	.....	181,963,650.00
Redemption of bonds, etc., account of forfeitures, gifts, etc.	200,000.00	200,000.00	.....	200,000.00
Principal of the public debt	$ 541,623,393.53	[2] $ 537,120,735.00	.....	[2] $ 537,120,735.00
Interest on the public debt	670,000,000.00	[2] 720,000,000.00	.....	[2] 720,000,000.00
Total payable from the Treasury	$3,505,793,765.53	$3,415,178,346.47	[5] $158,441,685.25	$3,573,620,031.72
Postal Service payable from postal revenues	753,000,000.00	[2] 724,966,200.00	.....	[2] 724,966,200.00
Total, including Post Office Department and Postal Service.	$4,258,793,765.53	$4,140,144,546.47	[5] $158,441,685.25	$4,298,586,231.72

[1] Includes $79,664,436 permanent and indefinite appropriations not included in Budget estimates prior to 1929.
[2] Revised to date.
[3] Heretofore included in estimates of appropriation for "Postal Service payable from postal revenue."
[4] Includes $107,000,000 1927-28 supplemental appropriation for internal-revenue refunds.
[5] Exclusive of $45,233,508.02 for requirements of fiscal year 1927, including deficiencies and replacement of amounts advanced from appropriations for fiscal year 1928.

Estimates of this character which have already been submitted to this Congress for inclusion in the urgent deficiency bill total approximately $204,000,000. Of this amount, $106,000,000 is made necessary by new legislation. Of the balance of approximately $98,000,000, the sum of $43,000,000 is required for tax refunds, $7,000,000 for emergency flood relief, $8,000,000 for claims and judgments, while the remainder is needed for national defense or to meet demands of policies that have congressional approval. The nonenactment of the second deficiency bill during the session of Congress which closed March 4, 1927, necessarily adds to the total of these supplemental estimates which must now be presented to the Congress.

I believe the time has come when our estimates of appropriations for refunding taxes illegally collected should be reflected in the appropriation items requested in the Budget. In prior years this item of expense, while reflected in Budget estimates of expenditure, has not been fully reflected in the annual estimates for appropriations. The operation has been conducted on a calendar-year basis by making the refundment of taxes an item for inclusion as a supplemental rather than Budget estimate. The Budget herewith contains an estimate of $135,000,000 for refundment of taxes for the full fiscal year 1929. This is in harmony with the plan to have the annual Budget estimates reflect the conditions for the fiscal year to which they relate. The balance of the current fiscal year will be covered by a supplemental estimate.

In the development of this plan the estimates of appropriations in this Budget carry approximately $80,000,000 more for permanent and indefinite appropriations than has appeared in preceding Budgets. This is all in the interest of having the Budget estimates reflect actual requirements. This is a step in the right direction. It narrows the margin between our estimate of appropriations and the estimate of expenditure. The latter estimate has always carried these items, but their reflection elsewhere in the Budget as estimates of appropriations is most desirable. Taking the refundment of taxes item and these additional permanent and indefinite funds together we have an increase of $230,000,000 over what would have been required under the plan of estimates heretofore followed in preparing the annual Budgets. This is not a real increase, as these items have always been included in the estimates of expenditure.

The Budget herewith contains for the first time estimates of appropriations for commencing liquidation of the liability of the Government to both the civil-service and Foreign Service retirements. The Congress wisely authorized submission of estimates for this purpose. This conforms to the principle under which we have been operating to amortize our long-term commitments. For the civil-service retirement fund the estimate is $19,950,000 and for the foreign-service retirement fund $213,000. The Government board of actuaries estimates that an annual

appropriation of the former amount of 71 years and of the latter amount for 60 years will meet fully the accrued and accruing liability of the Government to these two funds. Since these estimates are based on the present pay roll, any increase in the roll will be reflected in a reduction of the time in which the liability of the Government will be fully discharged. An increase of 1 per cent annually in the pay roll of those contributing to the civil-service retirement fund would reduce the period of amortization from 71 to 42 years.

We are necessarily concerned in the Federal pay roll. This concern involves both the interests of the taxpayers and those who are on the rolls. The effort has been to do equal justice to both. The classification act of 1923, with the extension of comparable rates of compensation to those in the field service, has substantially met the situation. In 1923 the average salary of Federal employees at the seat of government was $1,674. When the classification act went into effect in 1924 it increased the average salary to $1,749. For the fiscal year 1927 the average salary had increased to $1,846. For 1928 the average salary will be about $1,886 and for 1929 will amount approximately to $1,897. Adequate provision has been made for those employees who are injured in line of duty and for those who are retired because of permanent disability or age. The allowance for annual and sick leave, the reasonable hours of daily service under favorable working conditions, and the permanency of employment are other factors which favor the Government worker. Taking all things into consideration, I feel that the Government is liberal in the treatment of its employees. If it were not so, it is hardly possible that the civil-service records would show that more than a quarter of a million persons sought Federal employment in 1927, when the number of vacancies was only 38,700. All our investigations show that in places paying less than $2,500 to $3,000 the rate of pay by the Government is higher than in comparable places in private employ.

In 1927 there was available for expenditure for defense purposes, excluding all nonmilitary items and retired pay, $576,000,000. The current year's availability will be $625,000,000, while this Budget contemplates available defense funds of approximately $645,000,000.

The estimates carry $48,000,000 for increase of the Navy. This provides for prosecution of work on all projects authorized by the Congress with the exception of 3 submarines and 12 destroyers authorized in 1916, for which no funds are desired at this time. Navy craft under construction in 1929 will comprise 2 submarines and 8 cruisers, of which 2 will be practically completed in 1929—the *Pensacola* and *Salt Lake City*. Ample funds are provided in the estimate for the modernization of the battleships *Oklahoma* and *Nevada*, in accordance with the approved modernization program. Necessary funds are provided to carry out the third increment of the five-year air program. It is expected with the funds

recommended, the Navy at the end of the coming fiscal year will have 696 planes of the 1,000 final total contemplated in the program approved by the Congress. Additional funds are also recommended for the lighter-than-air ship, for which Congress has already appropriated $200,000.

Army estimates contemplate a Regular Army of 118,750 men with 12,000 officers, 30,000 trainees for the Citizens' Military Training Camp, 15,725 trainees in the Organized Reserve, 125,000 cadets in the Reserve Officers' Training Corps, and a National Guard strength of 188,000 men.

The total availability asked for Army housing in 1929 is $7,115,000, including contract authorization. There is carried in the supplemental estimates for 1928 the sum of $6,166,000 for Army housing, that being the amount which failed of enactment in the second deficiency bill in the last Congress. This makes a total available in the two estimates of $13,281,000, and completes the authorizations so far made by Congress for this purpose. In addition thereto the amount recommended for repair and maintenance of barracks, quarters, sewers, roads, and water systems amounts to $10,440,000, an increase of $1,672,500 over available funds this current year. Included in these estimates also is an increase of $2,000,000 over the 1928 appropriation for ammunition. Estimates herewith for the Army Air Corps provide for the second year increment in the five-year program looking toward 1,800 airplanes at the end of the five years.

We have proceeded sufficiently far in our air service program to show the wisdom of the legislative policy with regard to this important and developing line of Federal activity. Under this policy the needs of the Federal Government are being met with orderly stimulation of private industry. The appropriations of the past as well as the estimates now submitted are all in furtherance of this policy. Our procurement of aircraft and accessories is from private industry. This is as it should be. We have gone further than this. Private industry is now operating by contract our entire postal air mail service. We now have 13 contract mail routes in operation and 7 others under contract with a view to their early operation. We can point with pride to the Federal operation of the postal air mail service. Such operation was necessary in the beginning. We can point with equal pride to the turning of that service over to private industry for operation under contract. That has resulted largely from the policy which this Nation has been pursuing in air navigation. That policy, probably more than any one other thing, made possible the handling of this business by private enterprise. In the realm of navigation by air, I have mentioned elsewhere the provision made in these estimates for carrying on the five-year air programs for the Army and Navy. In our civil work the Coast Guard, the Prohibition Service, and the Forest Service are also operating airplanes. The Department of Commerce is

also using planes in its air navigation work. Provision for all of these is made in the estimates herewith submitted, which also carry funds for further development of our lighted airways. With regard to this latter Federal function, the end of the next fiscal year under the estimate herein submitted should see more than 10,000 miles of lighted airways.

I am including in this Budget an estimate of $1,108,000 for the promotion of the welfare and hygiene of maternity and infancy. I refer to this estimate for two reasons. The first is, that the authorization for this appropriation expires with the fiscal year 1929. The second is, that it marks the termination of Federal contribution to a project which is for State control and administration. The extension for two years of the provisions of the act for the promotion of the welfare and hygiene of maternity and infancy was approved with the understanding that its administration during these two added years would be with a view to the discontinuance of Federal aid thereafter. Six years of experience under the able administration that has characterized the Government's policy warrants this permanent withdrawal of Federal aid, assured that the States are now or should be able to carry on this work without aid or interference from the Federal Government.

This opens up the whole subject of State aid, which despite frequent warnings continues strongly intrenched in Federal operations. While the amount of money taken annually from the Federal Treasury for subsidies to States is not inconsiderable, the dangers inherent in the policy are of far greater importance. To relieve the States of their just obligations by resort to the Federal Treasury in the final result is hurtful rather than helpful to the State, and unfair to the payers of national taxes. To tempt the States by Federal subsidies to sacrifice their vested rights is not a wholesome practice no matter how worthy the object to be attained. Federal interference in State functions can never be justified as a permanent continuing policy even if, which is doubtful, such interference is warranted by emergent conditions as a temporary expedient. As shown in the maternity and infancy act, when once the Government engages in such an enterprise it is almost impossible to terminate its connection therewith. We should not only decidedly refuse to countenance additional Federal participation in State-aid projects, but should make careful study of all our activities of that character with a view to curtailing them.

With a view to expediting the construction program authorized by the public buildings act of May 25, 1926, estimates of appropriations amounting to $8,131,000 will be submitted for the consideration of Congress in the first deficiency bill of this fiscal year. This amount will pertain to the projects included in the public buildings appropriation bill which failed of passage the last fiscal year and for which authority to enter into contracts has been previously authorized. The estimates

submitted with this Budget provide for projects at limits of cost aggregating $53,577,000, and carry a total request for appropriation of $13,000,000. This amount, together with the appropriations already available and those requested in the urgent deficiency for this year, will provide ample funds for expenditure within the yearly limit of $25,000,000 fixed in the act.

During the past year an exhaustive study involving the designs of the paper currency issues of the United States has been completed and definite conclusions have been reached. New designs are being prepared which will eliminate the existing confusion, and the size will be reduced about one-third.

For many years there has been a constantly growing demand for increased supplies of paper currency. Many factors have entered into the situation, among them being the growth of the country in population and wealth, and the more extended use of paper instead of coin. During the past decade the paper currency outstanding has increased from 536,600,000 pieces, in amount exceeding $4,212,000,000, to 865,300,000 pieces, in amount approximating $5,715,000,000. In order to meet the currency requirements, the Bureau of Engraving and Printing delivered 514,688,000 pieces during 1917, and 992,339,000 pieces during 1927. Constantly increasing appropriations have been required and it was apparent should the increase continue it would be necessary to provide additional production facilities. Both of these considerations have been effectively met by the action taken.

The reduction in size will serve the public convenience, will create substantial savings in expense of manufacture, and will insure that existing manufacturing facilities will meet increased demands for many years to come.

The retirement and refunding of our second Liberty loan has aided materially in lessening our interest charges. On February 28, 1927, there were outstanding $3,104,520,050 second Liberty loan bonds, practically all of which bore interest at the rate of 4¼ per cent. From February 28, 1927, to November 18, 1927, bonds to the value of $575,000,000 were retired with funds available for debt reduction. The remainder, approximately $2,500,000,000, are being refunded into securities being interest at the rate of 3½ per cent and under. The saving in annual interest by the debt reduction effected by retirement of these bonds amounts to over $24,000,000 and the annual saving effected by the refunding operations will amount to more than $21,000,000, making a total annual saving in interest of more than $45,000,000. The total reduction of annual interest due to refundings and payments on the national debt for the calendar year 1927 will be about $75,000,000.

CALVIN COOLIDGE.

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LINCOLN MEMORIAL FROM WASHINGTON MONUMENT

SPECIAL MESSAGE TO CONGRESS

[Flood Control in Mississippi Valley.]

THE WHITE HOUSE, *December 8, 1927.*

To the Congress of the United States:

There is submitted herewith a letter from the Hon. Dwight F. Davis, Secretary of War, transmitting with favorable recommendation the report of Maj. Gen. Edgar Jadwin, Chief of Engineers, containing the plan of the Army Engineers for flood control of the Mississippi River in its alluvial valley.

In my message to the two Houses of Congress at the beginning of the first session of the Seventieth Congress, the flood-control problem of the lower Mississippi and the urgent necessity for its solution were outlined. The general duties and responsibilities of the Federal Government in connection therewith were therein discussed.

The total cost of the recommended project is $296,400,000, distributed over a period of 10 years. This large sum is manifestly justified by the necessities of the situation and the benefits that will result. In determining the distribution of the cost there must be considered not only the people of the valley itself, who receive the major portion of the benefits, but also the great mass of taxpayers who suffer less directly from Mississippi River floods and upon whom most of the burden of Federal taxation falls. It is axiomatic that States and other local authorities should supply all land and assume all pecuniary responsibility for damages that may result from the execution of the project. It would be revolutionary for the Federal Government to establish the precedent of buying part of the land upon which to build protective works to increase the value of the remainder. Similarly it would be very unwise for the United States in generously helping a section of the country to render itself liable for consequential damages. The Federal Treasury should bear the portion of the most of engineering structures for flood control that is justified by the national aspects of the problem and the national benefits. It may even bear 80 per cent of such costs, but substantial local cooperation is essential to avoid waste. The portion this would leave to be borne locally for flood control structures represents an expenditures of about $3, or 30 cents per year for 10 years for each acre in the alluvial valley to be protected every year from Mississippi River floods. The value per acre, including railroads, towns, cities, and other improvements, is estimated at something over $200. It would seem that the States should share with the Federal Government the burden of assisting the levee districts and individual property owners, especially in view of the fact that the States benefit directly by the increased taxes from the land made more valuable by reason of its protection.

The plan transmitted herewith is comprehensive and speaks to me as being adequate in its engineering. I concur in general in the conclusions and recommendations reached in the report, and suggest that appropriate legislation be enacted putting them into effect.

CALVIN COOLIDGE.

ADDRESS BEFORE PAN AMERICAN CONFERENCE

[Havana, Cuba, January 16, 1928.]

Mr. President and members of the Pan American Conference: No citizen of any of the Americas could come to the queen of the islands of the West Indies without experiencing an emotion of gratitude and reverence. These are the outposts of the new civilization of the Western Hemisphere. It was among them that the three small ships of the heroic admiral came when, with the assistance and support of Spain, Columbus presented to Europe the first widespread, public, and authoritative knowledge of the New World. Other points may have been previously visited, but for these was reserved the final revelation. The great discoverer brought with him the seed of more republics, the promise of greater human freedom, than ever crossed the seas on any other voyage. With him sailed immortal declarations of independence and great charters of self-government. He laid out a course that led from despotism to democracy. Edward Everett Hale, a seer of New England, tells us that this gallant seaman who rose above the storms to become the forerunner of an age of pioneers,

> "Left blood and guilt and tyranny behind,
> Sailing still west the hidden shore to find;
> For all mankind that unstained scroll unfurled,
> Where God might write anew the story of the world."

In the spirit of Christopher Columbus all of the Americans have an eternal bond of unity, a common heritage bequeathed to us alone. Unless we together redeem the promise which his voyage held for humanity, it must remain forever void. This is the destiny which Pan America has been chosen to fulfill.

As we look back over the accomplishments of the past four centuries we can see that we are warranted in asserting that the Western Hemisphere has not failed in the service that it seemed destined to render to humanity. Progress does not go forward in a straight line. It is a succession of waves. We can not always ride on their crest, but among our republics the main tide of human advancement has been steadily rising. The people have taken charge of their own affairs. In

spite of some temporary discouragements, they have on the whole been successful. The fertility of a virgin soil, a wealth of mineral deposits, an abundance of water power, a multitude of navigable rivers, all at the command of a resourceful people, have produced a material prosperity greater in amount and more widely distributed than ever before fell to the lot of the human race. The arts and sciences have flourished, the advantages of education are widespread, devotion to religion is marked by its sincerity. The spirit of liberty is universal. An attitude of peace and good will prevails among our nations. A determination to adjust differences among ourselves, not by a resort to force, but by the application of the principles of justice and equity, is one of our strongest characteristics. The sovereignty of small nations is respected. It is for the purpose of giving stronger guaranties to the principles, of increasing the amount and extending the breadth of these blessings, that this conference has been assembled.

The very place where we are meeting is a complete demonstration of the progress we are making. Thirty years ago Cuba ranked as a foreign possession, torn by revolution and devastated by hostile forces. Such government as existed rested on military force. Today Cuba is her own sovereign. Her people are independent, free, prosperous, peaceful, and enjoying the advantages of self-government. The last important area has taken her place among the republics of the New World. Our fair hostess has raised herself to a high and honorable position among the nations of the earth. The intellectual qualities of the Cuban people have won for them a permanent place in science, art, and literature, and their production of staple commodities has made them an important factor in the economic structure of the world. They have reached a position in the stability of their government, in the genuine expression of their public opinion at the ballot box, and in the recognized soundness of their public credit that has commanded universal respect and admiration. What Cuba has done, others have done and are doing.

It is a heavy responsibility which rests upon the people and the governments represented at this conference. Unto them has been given a new land, free from the traditional jealousies and hatreds of the Old World, where the people might come into the fullest state of development. It is among the republics of this hemisphere that the principle of human rights has had its broadest application; where political freedom and equality and economic opportunity have made their greatest advance. Our most sacred trust has been, and is, the establishment and expansion of the spirit of democracy. No doubt we shall make some false starts and experience some disappointing reactions. But we have put our confidence in the ultimate wisdom of the people. We believe we can rely on their intelligence, their honesty,

and their character. We are thoroughly committed to the principle that they are better fitted to govern themselves than anyone else is to govern them. We do not claim immediate perfection. But we do expect continual progress. Our history reveals that in such expectation we have not been disappointed. It is better for the people to make their own mistakes than to have some one else make their mistakes for them.

Next to our attachment to the principle of self-government has been our attachment to the policy of peace. When the republics of the Western Hemisphere gained their independence, they were compelled to fight for it. They have always been a brave, resolute, and determined people, willing to make any sacrifice to defend what they believed to be their rights. But when once their rights have been secured, they have been almost equally solicitous to respect the rights of others. Their chief efforts have been devoted to the arts of peace. They have never come under the delusion of military grandeur. Nowhere among these republics have great military establishments ever been maintained for the purpose of overawing or subjugating other nations. We have all nourished a commendable sentiment of moderate preparation for national defense, believing that for a nation to be unreasonably neglectful of the military art, even if it did not invite and cause such aggression as to result either in war or in abject humiliation, it must finally lead to a disastrous disintegration of the very moral fiber of the nation. But it is one thing to be prepared to defend our rights as a last extremity and quite another to rely on force where reason ought to prevail. The form of our governments guarantees us against the Old World dynastic wars. It is scarcely too much to say that the conflicts which have been waged by our republics for 150 years have been almost entirely for the purpose of securing independence and extending the domain of human freedom. When these have been accomplished, we have not failed to heed the admonition to beat our swords into plowshares.

We have kept the peace so largely among our Republics because democracies are peace loving. They are founded on the desire to promote the general welfare of the people, which is seldom accomplished by warfare. In addition to this, we have adopted a spirit of accommodation, good will, confidence, and mutual helpfulness. We have been slow to anger and plenteous in mercy. When this attitude prevails it is not difficult to find practical means of adjusting differences. The statesmanship of the southern American Republics has shown a peculiar skill and aptitude in this field. It began with mutual consultation. The first Pan American Congress assembled at Panama City about 100 years ago. The purpose of that gathering has never been forgotten, and it may be said to have marked the beginning of a permanent institution. The

Republics south of the Rio Grande have produced a most impressive record of a resort to mediation, arbitration, and other peaceful methods of the adjustment and adjudication of their international differences. A study of their treaties will disclose some of the finest examples of mutual covenants for the limitation of armaments and the avoidance of hostile conflict. In the discovery of the true principles of international relations, and in the practical ability of putting them into effect, they have demonstrated a moral power and strength of character for which the whole world should be profoundly grateful.

The Pan American conferences meet for the purpose of maintaining and extending these important principles. It is impossible to conceive of a more inspiring motive which men could entertain in dealing with the affairs of this world. You have convened to take counsel together for increasing the domestic welfare of the free people of our independent Republics and promoting international peace. No other part of the world could provide constituencies which all have such a unity of purpose. The whole atmosphere of the conference is animated with the spirit of democracy and good will. This is the fundamental concept of your organization. All nations here represented stand on an exact footing of equality. The smallest and the weakest speaks here with the same authority as the largest and the most powerful. You come together under the present condition, and the future expectation, of profound peace. You are continuing to strike a new note in international gatherings by maintaining a forum in which not the selfish interests of a few but the general welfare of all will be considered.

If you are to approximate your past successes, it will be because you do not hesitate to meet facts squarely. We must consider not only our strength but our weaknesses. We must give thought not only to our excellence but to our defects. The attitude of the open mind must prevail. Most of all, you must be guided by patience, tolerance and charity, judging your sister nations not only by their accomplishments, but also by their aspirations. A Divine Providence has made us a neighborhood of republics. It is impossible to suppose that it was for the purpose of making us hostile to each other, but from time to time to reveal to us the methods by which we might secure the advantages and blessings of enduring friendships.

Like the subjects which have occupied the attention of your predecessors, the topics contained in the agenda of the present conference call for cooperative international action. They belong to the class of inquiries that produce closer international relations, promoting the good of all in the political, economic, social, and cultural spheres. Your predecessors have shown great wisdom in directing their attention to the matters that unite and strengthen us in friendly collaboration—

subjects that develop an inter-American unity of sentiment which alone can make our common endeavors fruitful.

The existence of this conference, held for the consideration of measures of purely American concern, involves no antagonism toward any other section of the world or any other organization. It means that the independent republics of the Western Hemisphere, animated by the same ideals, enjoying the common blessings of freedom and peace, realize that there are many matters of mutual interest and importance which can best be investigated and resolved through the medium of such friendly contact and negotiation as is necessary for cooperative action. We realize that one of the most important services which we can render to humanity, the one for which we are peculiarly responsible, is to maintain the ideals of our Western World. That is our obligation. No one else can discharge it for us. If it is to be met, we must meet it ourselves. We must join together in assuring conditions under which our republics will have the freedom and the responsibility of working out their own destiny in their own way.

The proceedings of the successive Pan American conferences reveal a record of achievement which, without attempting the spectacular, constantly builds on the solid foundation of the immediately attainable. With each succeeding conference the agreements for the orderly settlement of such differences as may arise between the American republics have been extended and strengthened, thus making their relationship more certain and more secure. Each conference has contributed its share toward developing more intimate cultural ties among the nations of this hemisphere, and establishing new currents of mutual understanding. Obstacles to closer economic relations have been removed, thus clearing the pathways of commercial intercourse.

Of scarcely less importance have been the many special conferences which from time to time have assembled for the purpose of dealing with the more technical questions in the relations between the republics of America. The meetings of the International Commission of Jurists, the Pan American Highway Conferences, the Child Welfare Conferences, the Sanitary Conferences, the Conference on Consular Procedure, the Scientific Congresses, the Financial Conferences, the Red Cross Conferences, and the highly important and significant Congress of Journalists have all served to strengthen that spirit of Pan American solidarity which, in the last analysis, represents one of the greatest achievements of our American civilization and one which, in the future, is destined to play so important a part in the fulfillment of the high mission intrusted to the republics of this hemisphere.

It has been most gratifying to witness the increasing interchange of university professors and the constantly growing stream of student

migration from one country to another. No other influence can be more potent and effective in promoting mutual comprehension of national aims and ideals. It is sincerely to be hoped that this cultural interchange will with each year assume larger proportions.

It is not desirable that we should attempt to be all alike. Progress is not secured through uniformity and similarity but rather through multiplicity and diversity. We should all be intent on maintaining our own institutions and customs, preserving the purity of our own language and literature, fostering the ideals of our own culture and society. In a territory reaching from the north temperate zone through the Tropics to the South Pole, there is room enough to carry worthy activity which is profitable and every ideal which is good. Our geographical location, as well as our political ideals, has endowed us with a self-contained unity and independence. Instead of considering our variations as an obstacle, we ought to realize that they are a contribution to harmonious political and economic relations.

In this great work of furthering inter-American understanding, a large responsibility rests upon the press of all countries. In our present stage of civilization, knowledge of foreign people is almost wholly supplied from that source. By misinterpreting facts, or by carelessness in presenting them in their true light, much damage can be done. While great progress has been made toward the publication of fuller information and unbiased views, a better exchange of news service would do much to promote mutual knowledge and understanding. What happens in this hemisphere is of more vital interest to all of us than what happens across any of the oceans.

An increase of information depends largely on an increase in the means of communication. During the entire nineteenth century intercourse between the American Republics was exceedingly difficult, and this isolation proved a serious obstacle to closer understanding. The twentieth century, however, and especially the last 10 years, have witnessed astonishing changes in this respect. Transportation by water has become rapid, comfortable, and relatively inexpensive. Shipping facilities from the United States have been largely improved. Our Government is greatly interested in increasing their efficiency. Railway lines have been extended so that it will soon be possible to travel with practically no interruption from the northern border of the United States to the southern border of El Salvador, and in South America from Peru to Patagonia. During very recent years every government of this hemisphere has been giving special attention to the building of highways, partly with a view to establishing feeders to the railway lines, but also to provide great arteries of inter-American communication for motor transport. On the wall of my office hangs a map showing proposed highways connecting the principal points of our two continents.

I am asking the United States Congress to authorize sending engineering advisers, the same as we send military and naval advisers, when requested by other countries, to assist in road building. These gratifying changes are about to be supplemented by the establishment of aviation routes, primarily for the transportation of mails, which will afford to our Republics a channel of interchange which will find its ultimate expression in closer cultural and commercial ties and in better mutual comprehension. Our Congress also has under consideration proposals for supporting such air routes. Citizens of the United States are considering installing them.

Private organizations of a civic, cultural, and eductional character also have a great opportunity to help in the development of a closer understanding amongst the nations of America. The fine cooperation of the Red Cross Societies of the American Continents is an outstanding instance of the field for service open to the civic and philanthropic organizations of this hemisphere.

In the domain of commercial relations the last few years have witnessed an extraordinary strengthening of the economic ties binding together our republics. In both agricultural and industrial production the countries of America are now complementing one another to an unusual degree, resulting in an increasing exchange of commodities. Furthermore, recent years have witnessed a most gratifying rise in the standards of living of the wage earners throughout the Americas. They enjoy a greater productive and earning capacity, with a consequent increase in their purchasing power which has been reflected in the growing volume of inter-American commerce, destined to become more and more important as it combines a scientific utilization of natural resources with an increasing economic power of the masses of the people. The greater a nation becomes in wealth and production the more it has for the service of its neighbors, the larger its markets for the goods of others. The operation of natural forces, supplemented by the conscious purpose of the governments and peoples of the Americas, has increased their mutual interest in each other and strengthened the commercial ties among them.

In this work of inter-American cooperation an important part has been played by the Pan American Union. It stands as the permanent organ of these conferences. This international organization has labored unceasingly to give effect to the treaties and resolutions adopted by the successive conferences. Its scope of usefulness is constantly being enlarged and its ability to serve the American Republics is strengthened with each year that passes.

In the area of political relations the results have been no less gratifying and even more significant. It is almost impossible fully to appreciate the remarkable record achieved by the republics of America in the settlement of the differences that have arisen among them. Because of ill-defined

boundaries of the sparsely settled political subdivisions of the old Spanish colonial empire, the independent states of America carved out of it fell heir to a large number of territorial disputes which, in many cases, were of an exceedingly delicate and difficult nature. It is a tribute to the spirit of good will and mutual accommodation which has dominated the relations among the nations of the Western World that most of these disputes have been settled by the orderly process of negotiation, mediation, and arbitration. The adjustment of international differences on the American Continents has happily advanced to a stage at which but few questions remain unsolved. This extraordinary record of achievement places heavy responsibility upon the present generation to advance the great work that has been so auspiciously begun.

It is a high example that we have set for the world in resolving international differences without resort to force. If these conferences mean anything, they mean the bringing of all our people more definitely and more completely under the reign of law. After all, it is in that direction that we must look with the greatest assurance for human progress. We can make no advance in the realm of economics, we can do nothing for education, we can accomplish but little even in the sphere of religion until human affairs are brought within the orderly rule of law. The surest refuge of the weak and the oppressed is in the law. It is preeminently the shield of small nations. This is necessarily a long, laborious process, which must broaden out from precedent to precedent, from the general acceptance of principle to principle. New activities require new laws. The rules for the governing of aviation are only beginning to be considered. We shall make more progress in the end if we proceed with deliberation. No doubt you will find in your discussions many principles that you are ready to announce as sound and settled rules of action. But there are certain to be other questions concerning which it is not possible at the present time to lay down a specific rule of law. This need not discourage anyone. It is rather the most conclusive evidence that the results which have been secured are not of a temporary and ill-considered nature, but a mature statement of sound and conclusive principles.

The founders of our Republics sought no peculiar preferment for themselves. That same disinterested spirit which has animated the conduct of our past conferences has given the American family of nations a high place in the opinion of the world. Our Republics seek no special privileges for themselves, nor are they moved by any of those purposes of domination and restraints upon liberty of action which in other times and places have been fatal to peace and progress. In the international system which you represent the rights of each nation carry with them corresponding obligations, defined by laws which we recognize as binding upon all of us. It is through the careful observance of these laws which define our rights and impose our duties that international cooperation is

possible. This lays on us all a continental responsibility which none of us wish to avoid and the fulfillment of which is one of the most important guaranties of international friendship.

While the law is necessary for the proper guidance of human action, and will always remain the source of freedom and liberty and the ultimate guaranty of all our rights, there is another element in our experience which must always be taken into consideration. We read that "The letter killeth but the spirit giveth life." Oftentimes in our international relationship we shall have to look to the spirit rather than to the letter of the law. We shall have to realize that the highest law is consideration, cooperation, friendship, and charity. Without the application of these there can be no peace and no progress, no liberty, and no republic. These are the attributes that raise human relationships out of the realm of the mechanical, above the realm of animal existence, into the loftier sphere that borders on the Divine. If we are to experience a new era in our affairs, it will be because the world recognizes and lives in accordance with this spirit. Its most complete expression is the Golden Rule.

The light which Columbus followed has not failed. The courage that carried him on still lives. They are the heritage of the people of Bolivar and of Washington. We must lay our voyage of exploration toward complete understanding and friendship. Having taken that course, we must not be turned aside by the fears of the timid, the counsels of the ignorant, or the designs of the malevolent. With law and charity as our guides, with that ancient faith which is only strengthened when it requires sacrifices, we shall anchor at last in the harbor of justice and truth. The same Pilot which stood by the side of the great discoverer, and the same wisdom which instructed the founding fathers of our Republics, will continue to abide with us.

LETTER

[Status of Porto Rico.]

THE WHITE HOUSE, *February 28, 1928.*

Hon. Horace M. Towner, Governor of Porto Rico, San Juan, R. I.

Dear Governor:

I desire to acknowledge the concurrent resolution of the Legislature of Porto Rico committed to Colonel Lindbergh on his visit to San Juan, and also a cablegram, dated January 19, signed by Messrs. Barcelo and Tous Soto, the President of the Senate and Speaker of the House of Representatives of Porto Rico, respectively.

The cablegram and resolution seem to be based largely on a complete misunderstanding of concrete facts. It would not be difficult to show that the present status of Porto Rico is far more liberal than any status

of its entire history; that its people have greater control of their own affairs with less interference from without; that its people enjoy liberty and the protection of law, and that its people and its Government are receiving material assistance through its association with the continental United States. The Treaty of Paris, of course, contains no promise to the people of Porto Rico. No phase of that treaty contemplated the extension to Porto Rico of a more liberal régime than existed. The United States has made no promise to the people of Porto Rico that has not been fulfilled, nor has any representative or spokesman for the United States made such a promise.

The Porto Rican Government at present exercises a greater degree of sovereignty over its own internal affairs than does the Government of any State or Territory of the United States. Without admitting the existence of "a grave economic situation" in the finances of the Government of Porto Rico, the present difficulty, which it is hoped is but temporary, is exclusively the result of the exercise by the elected representatives of the people of Porto Rico of an authority granted by the present very liberal organic law. The responsibility of the United States, as distinguished from that of Porto Rico, is, at most, that officers appointed by the President in Porto Rico may not have exercised power legally placed in their hands to veto or make ineffective acts of the Porto Rican Legislature.

The cablegram complains that—

"Ours is the only Spanish-American country whose voice has not been heard at Havana during the Pan-American Conference, for it was not represented there."

This is a most serious error and is based on a fundamental misunderstanding of the relation of Porto Rico to the United States. No State or Territory of the Union was represented as such at Havana, but the representation of the United States in Havana represents Porto Rico as truly as it represents any part of the territory of the United States.

The request is made that Porto Rico be constituted as a "free State" and not "a mere subjected colony." Certainly giving Porto Rico greater liberty than it has ever enjoyed and powers of government for the exercise of which its people are barely prepared cannot, with propriety, be said to be establishing therein "a mere subjected colony." The people of Porto Rico are citizens of the United States, with all the rights and privileges of other citizens of the United States, and these privileges are those which we invoked "when declaring for independence at the memorable convention at Philadelphia."

In answering the cablegram it might be well to consider briefly the conditions and tendencies we found in Porto Rico and what the situation in Porto Rico is today, as well as the steps we are responsible for in Porto Rico to better conditions as we found them and as they exist today. There is no conflict of opinion as to the condition in which we found

Porto Rico. Perhaps the best authority on local conditions was Dr. Cayetano Coll y Teste, who, in an article published in Porto Rico in 1897, after describing the progress in Porto Rico for one hundred years ending with that year, thus describes the great body of the population of Porto Rico:

> Only the laborer, the son of our fields, one of the most unfortunate beings in the world, with a pale face, bare feet, lean body, ragged clothing and feverish look, walks indifferently, with the shadows of ignorance in his eyes, dreaming of the cockfights, the shuffle of the cards or the prize in the provincial lottery. No, it is not possible that the tropical zone produces such organic anemia; this lethargy of body and soul is the offspring of moral and physical vices that drag down the spirit and lead our peasants to such a state of social degradation. In the miserable cabin, hung on a peak like a swallow's nest, this unhappy little creature comes into the world; when it opens its eyes to the light of reason it does not hear the village bell reminding him to lift his soul to the Divine One and render homage to the Creator of Worlds; he hears only the hoarse cry of the cock crowing in the early morning, and then he longs for the coming of Sunday to witness the strife and knavery of the cockfights. When a man, he takes up with the first woman to be found in the neighborhood and makes her his mistress to gratify his amorous lusts. In the wretched tavern the food he finds is only the putrid salt meat, codfish filled with rotten red spots, and India rice, and the man who harvests the best coffee in the world, who helps to gather into the troughs the sweetest grains of nature and takes to pasture in the fields and meadows the beautiful calves, cannot raise to his lips the bit of meat, because the municipal tax places it out of his reach and almost duplicated the price of the tainted codfish; coffee becomes to him an article of luxury through its high price, and of sugar he can only taste that filled with molasses and impurities. * * * This eternal groan of the Porto Rican laborers is an infirmity of our present day society and consequently it is necessary to study it and remedy it.

That the accuracy of this description was appreciated in Porto Rico was evidenced by the fact that it was awarded a prize from the Economic Society of Friends of the Country. Other contemporary testimony of prominent Porto Ricans to the same general effect is not lacking, but space forbids its inclusion.

Were this pitiable economic condition the result of a passing depression the situation would have been less hopeless, but the evidence is clear that the condition was one of long standing and that the tendency was to get worse rather than to improve. One would look in vain for a single ray of hope if Porto Rico were to continue its normal course as we found it. Health and sanitation, education and public works were such as naturally accompanied the situation of the people pictured.

Prior to the American occupation the Porto Rican people had received practically no training in self-government or the free exercise of the franchise. While there existed a body of educated, intelligent men, the great mass of the people were without experience or training in self-government, and only a small percentage could qualify as voters under very broad electoral qualifications.

The military Government in its brief existence of eighteen months accomplished the following:

1—Order was re-established and an insular police force organized.

2—The more obvious burdens of taxation as they fell on the very poor people were abolished, and a careful study made by an expert, preparatory to the adoption of a proper revenue system for the island.

3—Such changes in the judicial system were made as were necessary to bring that system more in accordance with American procedure and with the American view of individual rights and liberty.

4—A Department of Education was established; Boards of Health were organized; the public works were reorganized and progress in road building was greater than in all the previous history of Porto Rico.

And finally the Government was reorganized in accordance with the act passed by Congress to establish a civil government in order that there might be a minimum of friction in changing from the military to the civil government.

Experience has shown that this organic act, though intended to be temporary, was quite up to the standard of such acts, and that it gave to the people of Porto Rico a liberal form of government under which they could acquire experience in democratic government honestly administered and could enjoy all of the rights and privileges to which we are accustomed. Under it the possibility of development was great, and this possibility was realized.

Congress, recognizing the progress in Porto Rico, enacted in 1917 the present organic law. Under this law the Porto Rican people were made citizens of the United States. All of the guarantees of the Constitution are extended to Porto Rico, or the Legislature of Porto Rico is granted authority to make effective those guarantees not specifically extended. The great satisfaction in Porto Rico at the passage of this act is the best evidence of its liberality. The principle difference between the government of Porto Rico and that of the organized and incorporated Territories of the United States is the greater power of the Legislature and the fiscal provisions governing Porto Rico, which are far more liberal than those of any of our States or Territories.

Through the urging of the War Department, the United States income tax of 1913 was extended to Porto Rico, with a provision authorizing the modification of the law by the local Legislature and directing that the income from this source go into the insular Treasury. In the revision of the organic act of Porto Rico in 1917, the War Department, with the assistance of the Governor, was enabled to secure a provision similar to the one in effect in the Philippine Islands; that is, that the internal revenue collected in the United States on Porto Rican products should be turned in to the Treasury of Porto Rico. These two taxes are now

carried in the returns of the revenues of Porto Rico as "United States internal revenues" and "income taxes," and together they constitute a good part of the revenues of the Government. The Treasury of Porto Rico receives the customs duties collected in Porto Rico, less the cost of collection. It receives the internal revenue taxes which are laid by its own Legislature and collected in Porto Rico. It receives the income taxes which are laid by its own Legislature. It receives the internal revenue taxes collected in the United States on Porto Rican products consumed in the United States.

I have set down a few scattered facts, which, however, sufficiently show the consequences of Porto Rico's union with the United States. We found the people of Porto Rico poor and distressed, without hope for the future, ignorant, poverty-stricken and diseased, not knowing what constituted a free and democratic government and without the experience of having participated in any government. We have progressed in the relief of poverty and distress, in the eradication of disease, and have attempted, with some success, to inculcate in the inhabitants the basic ideas of a free, democratic government. We have now in Porto Rico a government in which the participation by Americans from the United States is indeed small. We have given to the Porto Rican practically every right and privilege which we permitted ourselves to exercise. We have now progressed to the point where discouragement is replaced by hope, and while only thirty years ago one was indeed an optimist to see anything promising in Porto Rico, today one is indeed a pessimist who can see any reasonable human ambition beyond the horizon of its people.

It is not desired to leave the impression that all progress in Porto Rico was due to continental Americans. Without the cooperation and assistance of Porto Ricans progress would indeed have been negligible, but the cooperation is largely due to the encouragement of American assistance, American methods and an increase in the reward of efforts made.

There has been a natural hesitation to recall and dwell upon the unfortunate condition of Porto Rico in the past. There is a feeling, however, that the United States is entitled to a good name in its dealing with Porto Rico and to protect itself from any reflection on its good name. Perhaps no Territory in the world has received such considerate treatment in the past thirty years as has Porto Rico, and perhaps nowhere else has progress been so marked and so apparent as in Porto Rico. We are certainly entitled to a large part of the credit for this situation.

There exists today in Porto Rico a Department of Health in all respects modern and including in its activities all branches of modern public health work. Not of least importance as showing the marked progress in health matters in Porto Rico in recent years is the fact that it is completely manned by Porto Ricans. The improvement in

the health conditions of Porto Rico is not fully indicated by the reduction in death rate alone, though this rate has been almost divided by two since the early days of American sovereignty of the isalnd. The practical eradication of smallpox, which had existed continuously in the island for more than forty years and which had resulted in more than 600 deaths annually for the last ten years prior to American severeignty; the diagnosis of the so-called tropical "anemia" which affected the great bulk of the population of Porto Rico; the discoveries in Cuba in the method of propagating yellow fever, were concrete benefits to the health situation in Porto Rico and have been of continuous benefit.

The history of education in Porto Rico prior to its occupation by the United States is very largely the history of individual effort. Individuals of character and determination would establish and conduct a school, and it would generally disappear with the persons establishing it. Governmental efforts likewise lacked continuity. About the year 1860 a more determined governmental effort was made, and in 1898 the maximum enrollment in the public schools and private schools was 29,182, which has increased to 213,321. The per capita expenditure for public education in Porto Rico has increased during the period of American sovereignty from 30 cents per annum to approximately $4 per annum. The number of Government-owned public school buildings has increased from none to 991. The Department of Health and the Department of Education of Porto Rico are combining to make of the Porto Ricans of the future a different type physically and mentally from those we found in Porto Rico.

Not because they are entitled to first consideration, but because they are so readily measured and would be of fundamental importance in any change of status, it may be well briefly to recall some of the direct financial advantages to Porto Rico accruing from its relation to the United States. Porto Rico pays no tax to the United States Treasury. The Federal services in Porto Rico are supported from the United States Treasury. The services which benefit directly and financially the people of Porto Rico are the Lighthouse Service, the Agricultural Experiment Station and financial assistance to the College of Agriculture, the maintenance of the Porto Rico Regiment of the Army, the activities of the Veterans' Bureau and Federal participation in harbor improvements. In a more general way, Porto Rico receives the protection of the army and navy and the service of the Department of State and the diplomatic and consular service.

The expenditure from the United States accruing to the people of Porto Rico is not less than $5,000,000 per annum. In the fiscal year 1927 the total operating revenue of Porto Rico was $11,191,893.11.

Of this total the following, in our States and Territories, would not accrue to the local Treasury:

Customs	$1,806,567.91
Income taxes	1,565,745.98
United States internal revenue	440,660.71
Total	$3,812,964.60
Excise taxes (which would in great part not accrue to local treasury)	5,701,502.33
Total	$9,514,466.93

It will be observed, therefore, that had we not given special and very considerate attention to its needs, but had treated Porto Rico as we have treated the incorporated territory of the United States, of the more than $11,000,000 subject to appropriation by the elected Legislature of Porto Rico there would have been not to exceed $2,000,000 available.

The United States tariff extends to Porto Rico, and no part—certainly no agricultural part—of our territory is so favored by its tariff. And the striking development of Porto Rico under American sovereignty as shown by the growth of imports and exports is, in a material part, due to this favorable tariff treatment of its products.

The total exports from Porto Rico in the last complete years of Spanish sovereignty were $11,555,962. In the fiscal year 1927 this total was $108,067,434. The total imports in the last Spanish year were $10,725,563, and in 1927 were $98,810,750. Comparing this with one of the most prosperous, wholly independent neighbors of Porto Rico, we find that in the period in which the exterior trade of Porto Rico has been multiplied by nine that of its neighbor has been multiplied by less than seven.

The total value of Porto Rican products shipped to the United States in the fiscal year was $97,823,523, and of this total $97,000,000 was highly protected in the American market. The total purchase by Porto Rico in the markets of the United States in the same calendar year was $87,046,319. For a number of years Cuba has been the largest purchaser of Porto Rican coffee, which is given a 20 per cent. reduction of the Cuban tariff as an American product, not because Cuba sells to Porto Rico but because Cuba sells to the United States. The advantage of the United States market to Porto Rico can the better be appreciated when it is noted that of the $97,000,000 of Porto Rican products sold in the last calendar year into the United States there would have been imposed, had these products come from countries not enjoying free admission into the United States, a duty

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THE LINCOLN MEMORIAL AT NIGHT

of approximately $57,000,000. On the products from the continental United States entering Porto Rico during the same period the duty imposed, had they come from a foreign country, would have been less than one-third of this amount. Certainly Porto Rico would not desire reciprocity to be more favorable to it.

The bonded indebtedness of Porto Rico is $25,555,000 and that of the municipalities of Porto Rico $18,772,000. These bonds are practically all held in the United States. Due to the fact that these bonds are tax exempt by a United States statute, Porto Rico pays in annual interest at least 2 per cent. less than would otherwise be paid—a saving of approximately $886,540 annually. In what way, by a greater grant of autonomy, could Porto Rico so look after the market for its products or the market for its bonds, or in what way could it improve the economic position of its Government or its people?

In studying the effect of granting to Porto Rico what was requested in the cablegram sent to me, one must naturally begin with the assumption that the products of Porto Rico would be for some time approximately what they now are. The change would be in disposing of them. In the year 1926 Porto Rico sold in the United States market 1,157,000,000 pounds of sugar and received therefor $48,200,000. A near neighbor sold an equal quantity of sugar for $22,800,000. Porto Rico sold in the United States in the same year 20,500,000 pounds of leaf tobacco for $13,000,000. Its neighbor sold an equal quantity of leaf tobacco for $1,192,000. In the sale of tobacco the element of quality enters, but these numbers sufficiently show the effect of the free entry to the United States market on the two principal products of the island, and show the extent to which the funds now used to make its purchases abroad and to meet its indebtedness abroad would shrink if the privilege were withdrawn. This shrinkage must be followed by a corresponding shrinkage in the revenues that go to support the activities in Porto Rico which mean progress for the future.

There is no disposition in America, and certainly not on my part, to discourage any reasonable aspiration of the people of Porto Rico. The island has so improved and its people have so progressed in the last generation as to justify high hopes for the future, but it certainly is not unreasonable to ask that those who speak for Porto Rico limit their petition to those things which may be granted without a denial of such hope. Nor is it unreasonable to suggest that the people of Porto Rico, who are a part of the people of the United States, will progress with the people of the United States rather than isolated from the source from which they have received practically their only hope of progress.

Sincerely yours,

CALVIN COOLIDGE.

STATE DEPARTMENT STATEMENT ON SOVIET RUSSIA

WASHINGTON, *April 14, 1928.*

During the past four years the Government of the United States has maintained the position that it would be both futile and unwise to enter into relations with the Soviet Government so long as the Bolshevik leaders persist in aims and practices in the field of international relations which preclude the possibility of establishing relations on the basis of accepted principles governing intercourse between nations.

It is the conviction of the Government of the United States that relations on a basis usual between friendly nations cannot be established with a governmental entity which is the agency of a group who hold it as their mission to bring about the overthrow of the existing political, economic and social order throughout the world and who regulate their conduct toward other nations accordingly. The experiences of various European Governments which have recognized and entered into relations with the Soviet régime have demonstrated conclusively the wisdom of the policy to which the Government of the United States has consistently adhered. Recognition of the Soviet régime has not brought about any cessation of interference by the Bolshevik leaders in the internal affairs of any recognizing country, nor has it led to the acceptance by them of other fundamental obligations of international intercourse.

Certain European States have endeavored, by entering into discussions with representatives of the Soviet régime, to reach a settlement of outstanding differences on the basis of accepted international practices. Such conferences and discussions have been entirely fruitless. No state has been able to obtain the payment of debts contracted by Russia under preceding Governments or the idemnification of its citizens for confiscated property. Indeed, there is every reason to believe that the granting of recognition and the holding of discussions have served only to encourage the present rulers of Russia in their policy of repudiation and confiscation, as well as in their hope that it is possible to establish a working basis, accepted by other nations, whereby they can continue their war on the existing political and social order in other countries.

Current developments demonstrate the continued persistence at Moscow of a dominating world revolutionary purpose and the practical manifestation of this purpose in such ways as render impossible the establishment of normal relations with the Soviet Government. The present rulers of Russia, while seeking to direct the evolution of Russia along political, economic and social lines in such manner as to make it an effective "base of the world revolution," continue to carry on, through the Communist International and other organizations with headquarters at

Moscow within the borders of other nations, including the United States, extensive and carefully planned operations for the purpose of ultimately bringing about the overthrow of the existing order in such nations.

A mass of data with respect to the activities carried on in the United States by various Bolshevik organizations under the direction and control of Moscow was presented by the Department of State to a subcommittee of the Senate Committee on Foreign Relations in January, 1924. Since that time these activities have been developed and extended to include, for example, the stirring up of resentment against the Government and the people of the United States in the countries of Latin America and in the Far East, and the supervision by Moscow of the organizations through which these activities are carried on has become even more comprehensive and more pronounced. The Government of the United States feels no concern lest this systematic interference in our affairs lead in the end to a consummation of the Bolshevik plan to bring about the overthrow of our Government and institutions.

The Government of the United States, however, does not propose to acquiesce in such interference by entering into relations with the Soviet Government. Nor can the Government of the United States overlook the significance of the activities carried on in our midst under the direction of Moscow as evidence of the continuation of the fundamental hostile purpose of the present rulers of Russia, which makes vain any hope of establishing relations on a basis usual between friendly nations. In the view of the Government of the United States, a desire and disposition on the part of the present rulers of Russia to comply with accepted principles governing international relations is an essential prerequisite to the establishment of a sound basis of intercourse between the two countries. A clear and unequivocal recognition of the sanctity of international obligations is of vital importance, not only as concerns the development of relations between the United States and Russia, but also as regards the peaceful and harmonious development of relations between nations.

No result beneficial to the people of the United States, or indeed to the people of Russia, would be attained by entering into relations with the present régime in Russia so long as the present rulers of Russia have not abandoned those avowed aims and known practices which are inconsistent with international friendship.

While the international aims and practices of the present rulers of Russia preclude the recognition of the so-called Soviet Government by the United States, the Government and the people of the United States, are now, as in the past, animated by a sincere friendship for the Russian people, as President Coolidge stated in his annual message to the Congress of December 6, 1923:

"We have every desire to see that great people, who are traditional friends, restored to their position among the nations of the earth."

As concerning commercial relations between the United States and Russia, it is the policy of the Government of the United States to place no obstacles in the way of the development of trade and commerce between the two countries, it being understood that individuals and corporations availing themselves of the opportunity to engage in such trade do so upon their own responsibility and at their own risk. The Department of State has endeavored to reduce to a minimum difficulties affecting commercial relations. Visas are readily granted by American consular officers to Russian nationals even if associated with the Soviet régime provided that the real purpose of their visit to the United States is in the interest of trade and commerce and provided that they have not been associated with the international revolutionary activities of the Bolshevist régime.

The American Government has interposed no objection to the financing incidental to ordinary current commercial intercourse between the two countries, and does not object to banking arrangements necessary to finance contracts for the sale of American goods on long-term credits. provided the financing does not involve the sale of securities to the public. The American Government, however, views with disfavor the flotation of a loan in the United States or the employment of American credit for the people making an advance to a régime which has repudiated the obligations of Russia to the United States and its citizens and confiscated the property of American citizens in Russia. Various Soviet commercial organizations have established branches in this country, and, as may be observed from the following table, a substantial trade has been developed:

	Exports to Russia		Imports from Russia
1912	$27,315,137	1912	$28,345,870
1923	7,308,389	1923	1,481,699
1924	41,948,578	1924	8,030,465
1925	68,873,019	1925	13,001,731
1926	49,735,269	1926	14,121,992
*1927	58,812,435	*1927	8,885,366

*Ten months.

Not only has a substantial trade developed between the United States and Russia, but an examination of Russian trade statistics during the past three years shows that the total value of American exports to Russia in that period exceeds the total value of the exports to Russia from either Great Britain or Germany during the same period. It is to be noted in this connection that Great Britain concluded a trade agreement with the Soviet régime in 1921 and accorded recognition in 1924, and Germany re-established diplomatic relations in 1922 and concluded a comprehensive commercial treaty in 1925.

VETO MESSAGES

[Coördination of Public Health Activities.]

THE WHITE HOUSE, *May 18, 1928.*

To the House of Representatives:

Herewith is returned without approval H. R. 11026, a bill to provide for the coördination of the public-health activities of the Government, and for other purposes.

This act, in my opinion, is so framed as to undertake to take away and limit the constitutional authority of the President to make appointments. I have been furnished with a memorandum by the Attorney General, in which I concur, that is as follows:

> This act contravenes section 2, Article II, of the Constitution of the United States, in that it creates offices of the United States to be filled by appointment by the President, with the advice and consent of the Senate, and at the same time not only limits the choice for appointees to such offices to persons who possess the qualifications of passing an examination conducted by a board of officers convened by the Surgeon General of the Public Health but also limits the choice among individuals possessing such qualifications to persons who are recommended by such board and by the Surgeon General, thereby attempting to vest in such board and in the Surgeon General participation in the executive function of appointment of officers of the United States, which function can be vested in and exercised only by the President, with the advice and consent of the Senate, the President alone, the courts of law, and heads of departments.

I am not unmindful of the primary purpose of this bill to coördinate the public-health activities of the Government, and the importance of enlarging the facilities of the Public Health Service to enable it to deal more effectively with Federal health problems.

Under the provisions of the act of January 4, 1889, medical officers of the Public Health Service are appointed by the President, by and with the advice and consent of the Senate. In the bill under consideration it is proposed to extend this method of appointment to include sanitary engineers, medical, dental, and other scientific officers, including pharmacists engaged on comparable duties, selected for general service and subject to change of station. At the present time sanitary engineers are serving as civil-service employees, and dentists are serving under reserve appointments. While the bill does not provide for new personnel, it is my understanding that approximately 100 sanitary engineers, dental, medical, and other scientific officers, now on the Public Health Service rolls, will be eligible for appointment to a regular commissioned status, divided about equally among the classes named.

For some time past there has been a definite movement among various groups of Government professional and scientific employees toward militarization of their respective services, and I am impelled to oppose this

movement from the standpoints of both economical administration and public policy. From an economic standpoint the method of appointment of the civilian personnel should be such that the force of Government employees can be increased or decreased as the needs of the service or condition of the Treasury makes necessary. But more important still, I do not believe that permanency of appointment of those engaged in the professional and scientific activities of the Government is necessary for progress or accomplishment in those activities or in keeping with public policy. If this were the only objection, I might have been inclined to overlook it, though I feel it is one that ought to be corrected in the preparation of any new legislation. The unconstitutional feature, of course, I could not overlook.

The Secretary of the Treasury, who has administrative supervision of the Public Health Service, in 1927 stated to your body his belief that legislation for the unification of the method of appointment of professional personnel, in so far as it would give a military character to the Public Health Service, was unnecessary in the civilian service of the Government, and that there should be eliminated from the legislation any provision which gives a military status to officers or employees of the service engaged in scientific pursuits.

The other provisions of the bill have my entire approval, and if the unconstitutional feature should be removed and the militarization feature removed I should be pleased to approve it.

CALVIN COOLIDGE.

[Aid for Rural Post Roads.]

THE WHITE HOUSE, *May 18, 1928.*

To the Senate:

There is returned herewith, without my approval, S. 3674, a bill to amend the act entitled "An act to provide that the United States shall aid the State in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes.

The bill would authorize appropriations of $3,500,000 each for the fiscal years 1929, 1930, and 1931 to be allocated to States having more than 5 per cent. of their area in unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations, for the construction, by the Bureau of Public Roads, of the main roads through such lands.

From 1917 to 1929, inclusive, Federal appropriations aggregating $840,000,000 have been authorized for cooperative construction of rural post roads and appropriations aggregating $733,200,000 have been made to meet the requirements as they have developed. From 1922

to 1929, inclusive, Federal appropriations aggregating $58,000,000 have been authorized for forest-development roads and forest highways, and appropriations thereunder aggregating $54,055,000 have been made. From 1925 to 1929, inclusive, $10,000,000 have been appropriated for the construction of roads in national parks.

While expenditures from appropriations for cooperative construction of rural post roads are contingent upon equal contributions by State or local agencies, no such requirement obtains with reference to appropriations for roads in national forests and national parks, since such roads are required for the protection, administration, utilization, or development of Federal resources. The bill would provide for entire construction from Federal funds of main roads through unappropriated or unreserved lands and nontaxable Indian lands. Such expenditures could not be justified on the basis of protection or development of Federal resources and would constitute a radical departure from the established policy of Federal aid on a cooperative basis in road construction.

Having in mind the increasing ability of the States to finance road construction due to the general adoption of the gasoline tax and the increase in revenue from this source which would accrue to States from roads constructed through public and Indian lands therein, I see no reason why the States should be relieved from their contribution toward the construction of these roads as required by existing law. I am constrained therefore to return this bill without my approval.

CALVIN COOLIDGE.

[Retirement of Emergency Officers of World War.]

THE WHITE HOUSE, *May 22, 1928.*

To the Senate:

Herewith is returned, without approval, S. *777*, a bill making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War.

This bill provides, among other things, that those who served as emergency officers of the Army, Navy, and Marine Corps during the World War and who during such service had incurred physical disability in line of duty, and who have been, or may hereafter, within one year, be rated in accordance with law at not less than 30 per cent. permanent disability resulting directly from such war service, shall be placed upon an emergency officers' retired list, and shall receive retired pay at the rate of 75 per cent. of the pay to which they were entitled

at the time of their discharge from their commissioned service, except pay under the act of May 18, 1920.

What this bill proposes is to compensate a limited number of emergency officers not according to their disability but according to the rank which they held in the World War. It breaches the fundamental principles of our Government to compensate service, not rank. The policy which this bill proposes for the compensation of a limited number of disabled emergency officers is wrong. Aside from this, the bill discriminates against emergency officers of less than 30 per cent. disability and all disabled enlisted men of the World War in favor of a limited number of disabled officers.

The most sacred duty of our citizenry is to enroll in the defense of their country in time of need. It is the proud record of our Nation that the sacredness of this duty has been recognized by all of the people at all times. When the emergency of the World War confronted us one of our great needs was an expansion of our regular military and naval services. Proper organization required that the expansion for the emergency be in commissioned officers and enlisted men. Both the commissioned officer and the enlisted man who entered the service for this emergency were serving in the same duty—the defense of their country. In this there was and could be no distinction between the two. There was no distinction as to the duration of their service.

We recognized no distinction in framing our laws for the care and benefit of those who were disabled. Under them both officer and enlisted man are treated alike. Their dependents are treated alike. We willingly and gladly recognized the merit of service, but we carefully guarded against the recognition of the rank or grade held during that service.

This nation has pledged itself to care for the disabled of our World War veterans and their dependents. That pledge has and will be kept. No soldiers in history have been so bounteously cared for as we have cared for our veterans of the World War. If further aid is needed, it should be bestowed not by changing the policy of our Government, as it is proposed in this bill, but by continuing that policy so that it will continue to apply alike to all disabled veterans of the World War.

In the perpetuation of our present policy the Nation will be secure. Full justice will be accorded alike to our veterans of the World War and to the other taxpayers of the country. This bill would practically double the cost of the compensation of the 3,297 emergency officers who are now 30 per cent. or more disabled. Their present compensation amounts to $2,874,000 per annum, while the cost under this bill would be $5,204,000. This gives some idea of the immediate cost of the

policy which this bill proposes. Once adopted, that policy will open the door to a flood of expenditures that will likely surpass anything of the kind that we have yet experienced. It will at once be apparent that it is a gross discrimination against the enlisted men. It will be difficult to make any answer to their demand for like treatment. If such a request were granted the cost would be so great as to make it practically impossible to provide our country with national defense.

CALVIN COOLIDGE.

[McNary-Haugen Bill for Agricultural Relief.]

THE WHITE HOUSE, *May 23, 1928.*

To the Senate:

Senate bill 3555, called the surplus control act, is in some respects an improvement over Senate bill 4808 of the last Congress. It includes several provisions, which, if unencumbered by objectionable features, would form a basis for a measure that should do much to develop stronger business organizations in agriculture. But the present bill contains not only the so-called equalization fee and other features of the old measure prejudicial, in my opinion, to sound public policy and to agriculture, but also new and highly objectionable provisions. In its entirety it is little less undesirable than the earlier measure. The bill still is unconstitutional. This position is supported by the opinion of the Attorney General, which is hereto attached.

In its essentials the objectionable plan proposed here is the stimulation of the price of agricultural commodities and products thereof by artificially controlling the surpluses so that there will be an apparent scarcity on the market. This is to be done by means of a board having supposedly adequate powers and adequate funds to accomplish such purpose through various agencies, governmental and private. The surpluses of the different selected commodities so accumulated by the board are then to be sold by export and otherwise directly or through such agencies at whatever loss is necessary in making the disposition. The fund to pay the losses and other costs while at first furnished by the Government is ultimately to be replaced and thereafter replenished from time to time by means of a tax or fee charged against the product. The theory is that the enhanced price of the commodity would enable the producer to pay the equalization fee and still reap a profit.

The recurring problem of surpluses in farm products has long been a subject of deep concern to the entire nation, and any economically sound, workable solution of it would command not only the approval, but the profound gratitude of our people. The present measure, however, falls far short of that most desirable objective; indeed, although it purports to provide farm relief by lessening the cares of our greatest

industry, it not only fails to accomplish that purpose, but actually heaps even higher its burdens of political control, of distribution costs, and of foreign competition. It embodies a formidable array of perils for agriculture which are all the more menacing because of their being obscured in a maze of ponderously futile bureaucratic paraphernalia. In fact, in spite of the inclusion in this measure of some constructive steps proposed by the administration, it renews most of the more vicious devices which appeared in the bill that was vetoed last year. This document is much altered from its previous form, but its substance, particularly as to its evident ultimate effect of tending to delude the farmer with a fantastic promise of unworkable governmental price regulation, is still as repugnant as ever to the spirit of our institutions, both political and commercial.

A detailed analysis of all of the objections to the measure would involve a document of truly formidable proportions. However, its major weaknesses and perils may be summarized under six headings:

I. Its attempted price-fixing fallacy.
II. The tax characteristics of the equalization fee.
III. The widespread bureaucracy which it would set up
IV. Its encouragement to profiteering and wasteful distribution by middlemen.
V. Its stimulation of overproduction.
VI. Its aid to our foreign agricultural competitors.

These topics by no means exhaust the list of fallacious and indeed dangerous aspects of the bill, but they afford ample ground for its emphatic rejection.

I. Price fixing: This measure is as cruelly deceptive in its disguise as governmental price-fixing legislation and involves quite as unmistakably the impossible scheme of attempted governmental control of buying and selling of agricultural products through political agencies as any of the other so-called surplus control bills. In fact, in certain respects it is much broader and more flagrant in its scope. The heights to which price lifting might be promised are freed from the limitations fixed in previous measures. The bill carefully avoids any direct allusion to such price-fixing functions, but there can be no doubt about its intentions and authorizations to the Federal farm board in this respect. There is apparently no change in the import of the bill in the resolution to impose upon the farmer and upon the consumers of farm produce a régime of futile, delusive experiments with price fixing, with indirect governmental buying and selling, and with a nation-wide system of regulatory policing, intolerable espionage, and tax collection on a vast scale.

These provisions would disappoint the farmer by naïvely implying that the law of supply and demand can thus be legislatively distorted in his

favor. Economic history is filled with the evidences of the ghastly futility of such attempts. Fiat prices match the folly of fiat money.

The board would be compelled to arrive in some way at the premium on the domestic price which would be demanded from the consumer, and this figure would have to be fixed in the contracts which it would make with the millers, packers, canners, spinners, and other processors. Such prices and other terms fixed in the contracts would be used by the board to calculate the losses upon which it will base the size of the equalization fee. This procedure is the very essence of price fixing, no matter how cumbersome and crudely camouflaged it may be. By throwing the very large resources of the Government into this operation the present bill gives the widest latitude for the most vicious temptations adherent in autocratic authority in complete command of vast industries and trades.

In previous bills definite yardsticks have been determined by which prices were to be established by the Government. They are omitted from this bill, which thereby leaves almost no restraint whatever upon the discretion of the board in this respect. The present measure, therefore, has even less merit than its predecessors in this regard since it carries no limitation as to the extent of price inflation which it can undertake.

II. The equalization fee, which is the kernel of this legislation, is a sales tax upon the entire community. It is in no sense a mere contribution to be made by the producers themselves, as has been represented by supporters of the measure. It can be assessed upon the commodities in transit to the consumer, and its burdens can often unmistakably be passed on to him.

Furthermore, such a procedure would certainly involve an extraordinary relinquishment of the taxing power on the part of Congress, because the tax would not only be levied without recourse to legislative authority, but its proceeds would be expended entirely without the usual safeguards of congressional control of appropriations. This would be a most dangerous nullification of one of the essential checks and balances which lie at the very foundation of our Government.

Incidentally, this taxation or fee would not be for purposes of revenue in the accepted sense, but would simply yield a subsidy for the special benefit of particular groups of processors and exporters. It would be a consumption or sales tax on the vital necessities of life, regulated not by the ability of the people to pay, but only by the requirements and export losses of various trading intermediaries. It would be difficult indeed to conceive of a more flagrant case of the employment of all of the coercive powers of the Government for the profit of a small number of specially privileged groups.

It has been alleged that these operations would be inaugurated only as a last resort, but this would be scanty assurance indeed, since no board would be able to resist the pressure of the political forces which could be

mustered in behalf of every staple commodity to demand that the Government should undertake the responsibility of attempting to legislate its prices above those fixed in the normal operations of the law of supply and demand.

III. Widespread bureaucracy: A bureaucratic tyranny of unprecedented proportions would be let down upon the backs of the farm industry and its distributors throughout the Nation in connection with the enforcement of this measure. Thousands of contracts involving scores of different grades, quantities, and varieties of products would have to be signed by the board with the 4,400 millers, the 1,200 meat-packing plants, the 3,000 or more cotton and woolen mills, and the 2,700 canners. If this bill had been in operation in 1925, it would have involved collections upon an aggregate of over 16,000,000,000 units of wheat, corn, and cotton.

The bill undertakes to provide insurance against loss, but presumably only against reasonable and unavoidable loss. Just what this might be would involve judgment on the part of Government employees upon tens of thousands of transactions running into billions of dollars. This is bureaucracy gone mad. Cooperative associations, flour mills, packing plants, and grain elevators will cease to be private and become public agencies. If there is any conclusion that we can announce as final with regard to governmental business operations, particularly after the bitter and excessively costly war-time experiences with such enterprises, it is that we can not maintain a bureaucracy of such vast proportions engaged in buying and selling without constant danger of corruption, mismanagement and prodigious tax burdens. No private agency of so gigantic and complex a character attempting to juggle with profound economic principles in such fashion could survive under such circumstances, and the chances for a governmental trading organization would be even less.

Swarms of inspectors, auditors, disbursers, accountants and regulatory officers would be let loose throughout the land to enforce the terms of these contracts and to curb the inevitable attempts at evasion of the equalization fee. This plague of petty officialdom would set up an intolerable tyranny over the daily lives and operations of farmers and of every individual and firm engaged in the distribution of farm products, intruding into every detail of their affairs, setting up thousands of prohibitory restrictions and obnoxious inspections.

Such autocratic domination over our major industry, its dependent trades, and the everyday activities of hundreds of thousands of our citizens would indeed be profoundly repugnant to every instinct of our institutions. It would undermine individual initiative, place a premium upon evasion and dishonesty, and poison the very wellsprings of our national spirit of providing abundant rewards for thrift and for open competitive effort.

The arbitrary powers in the hands of the twelve members of the board are almost incredible. But even more extraordinary would be the veto power over the board which this measure places in the hands of the commodity advisory councils.

Acting with the board, these men could throw the entire machinery of the Government into an attempt to raise or lower domestic prices at will. Even though such efforts would ultimately be doomed to certain failure, these men would meanwhile, during the course of costly experiment, hold in their hands the fate of vast industries using farm products employing millions of persons and of great co-operatives with thousands of farmer members. They could disrupt the settled channels of trade and commerce; they could alter at will the cost of living, influence wage levels in all lines of industry, and affect conditions of business in every part of the country. The mere enumeration of such powers is the complete answer to the proposal that they be granted.

IV. Encouragement to profiteering and wasteful distribution by middlemen: As was pointed out in the veto last year, it seems almost incredible that the farmers of this country are being offered this scheme of legislative relief in which the only persons who are guaranteed to benefit are the exporters, packers, millers, canners, spinners and other processors. Their profits are definitely assured. They have, in other words, no particular incentive toward careful operation, since each of them holding a contract, no matter how unscrupulous, wasteful, or inefficient his operations may have been, would be fully reimbursed for all of his losses.

This would be bound to encourage wholesale profiteering at the expense of the farmer and of the consumer. Every one of these processors could charge what he chose to his domestic trade and recoup the loss incurred on any one of his products thus made unsalable at home through excessive prices by dumping it at reduced rates in foreign markets. With such a complete guaranty of profit these concerns would be entirely without restraint or limitation as to profiteering and as to slovenly and wasteful processing and selling operations.

Surely there could be no more direct means of destroying the very germ of American commercial genius which is so frankly envied by our foreign rivals—the tireless search for better and more efficient business methods, the competitive zeal for superior service, and for adequate returns through large sales of better merchandise at lower prices.

The packers could be commanded by the board to buy hogs enough to create a near shortage at home and then raise the prices to a fixed level. The unsalable surplus would then be dumped abroad at a loss, which would thereupon be made good out of the pockets of all taxpayers, including the farmers. The operations would involve an impenetrable maze of contracts between the board and hundreds of packers and provisioners. The result would be a bewildering snarl of entangled accounting prob-

lems, because packing houses buy one kind of product and sell a wide range of highly differentiated specialties. To "equalize" the losses on these would indeed be a task of overwhelming difficulty.

These objections were raised against the previous measure and apparently an attempt has been made to meet them by broadening the discretionary powers of the board so as to escape the necessity of describing its functions and limiting its authority. The result, however, has been entirely the reverse from that which was intended. The board is endowed with vast powers over our basic industry, but, unlike every other agency in the Government, it would not be limited by congressional control over its appropriations, since it would have within itself the power to raise funds without limit by means of the compulsory equalization fee.

V. Stimulation of overproduction: The bill runs counter to an economic law as well settled as the law of gravitation. Increased prices decrease consumption; they also increase production. These two conditions are the very ones that spell disaster to the whole program. The vaguely drawn clause in the measure to meet this obvious danger merely amounts to moral suasion and, as a last resort, the withdrawal of the equalization fee. Thus, if 90 per cent. of the growers of a given commodity heed the admonitions of the board and refrain from production, they will nevertheless be punished because of the evasions of the remaining 10 per cent. who have ignored the board's requests. In other words, no farmer will be safe in directing his planning upon his individual judgment, for should the result be a stimulation of an increased yield, the board will be likely to withdraw the support which encouraged the surpluses and allow the prices to collapse under the weight of that artificially created excess. The annals of the industrial and agricultural world are replete with the catastrophes that have come in the wake of such attempted distortions of one of the most fundamental principles of commercial relations.

VI. Aid to our foreign agricultural competitors: This measure continues, as did its predecessor, to give substantial aid to the foreign competitors of American agriculture and industry. It continues the amazing proposal to supply foreign workers with cheaper food than those of the United States, and this at the expense of the American farm industry, thereby encouraging both the foreign peasant, whose produce is not burdened with the costs of any equalization fees, and also affording through reduced food prices the means of cutting the wage rates paid by foreign manufacturers. The latter step would promptly impair the prosperity of our manufacturing population, which is by far the leading and most profitable market for our farm produce. It is nonsense to say that our farmers are not interested in such a development, which can only result in unemployment and in consequent decreases in food consumption in the great industrial dis-

tricts. It is surely poor business to transfer the farmer's market from an employed American workman to the latter's competitor in the low wage-scale countries across the seas, whose potential buying power and standards of living even at best are far below those of this country.

This is indeed an extraordinary process of economic reasoning, if such it could be called. Certainly it is a flagrant case of direct, insidious attack upon our whole agricultural and industrial strength. By the inevitable stimulation of production the bill can only mean an increase of exportable surplus to be dumped in the world market. This in turn will bring about a constantly decreasing world price, which will soon reach so low a figure that a wholesale curtailment of production in this country with its attendant demoralization and heavy losses would be certain. Where is the advantage of dragging our farmers into such folly?

Furthermore, as the board undertakes to dump the steadily mounting surplus into foreign countries at the low-cost figures, it will come into direct conflict with the dumping and similar trade laws of many foreign lands which are interested in the maintenance of their own agricultural industries. We might, therefore, expect immediately a series of drastic, retaliatory discriminations on the part of these consumer countries. This will drive our surplus into narrower market channels and force even further price reductions with consequent increases in the burdens of the equalization tax.

Lastly, and most important, in connection with this aspect of the bill as an aid to our foreign competitors, the measure will inevitably devastate many of our important farm areas. For instance, the board is expected to obtain higher prices for the American farmer for corn by removing the surplus from the home market and dumping it over our borders at a lower level of prices. In other words, the hog grower in Ontario, Canada, may buy American corn at a very much lower level than the hog grower in the State of Ohio. Both being situated equally as to the European market for their pork products, we shall see immediately the migration of the Ohio hog industries across the border into Canada with consequent losses to our pork industry by this Canadian competition.

Likewise the dumping of cheaper American feeds for Dutch and Scandinavian producers of dairy products further subsidizes them in direct competition with the American industry. In other words, the framers of this measure naïvely submit a proposal to save the American livestock grower and dairyman by supplying his overseas rivals with abundant feedstuffs at reduced rates. It would be difficult indeed to conceive of a more preposterous economic and commercial fallacy.

To take another illustration, our cotton-manufacturing industry, which now has some 18,400,000 spindles in the cotton-growing states and 16,400,000 in the New England States, has been in a precarious condition for several years. Further handicaps imposed upon it by this bill might

spell its ruin and the consequent serious crippling of our entire cotton-growing belt. Under this bill it would be quite conceivable that foreign mills could obtain American cotton for prices substantially less than those paid by domestic mills. Foreign mills could ship cotton goods to this country in spite of the tariff, since the equalization fee in this measure is not applied to cotton fabrics. Furthermore, foreign mills would undoubtedly capture our existing export markets for the 600,000,000 square yards which we ship abroad annually, valued at over $75,000,000. The very serious hardships thus inflicted upon the nearly 500,000 wage earners in the cotton-manufacturing industries and the consequent impairment of their consumption of farm produce, as well as of the raw cotton in the mills, would be indeed a tragic, if not disastrous, episode.

All of this assumes that the foreign countries will permit the carrying out of the plan, but many of those countries are interested in the production of their own agricultural industries and will not hesitate to impose higher tariff duties or anti-dumping laws to prevent such undue depression of their own markets. Furthermore, they would be inclined to institute discriminatory measures in favor of our competitors by way of retaliation. The markets for our surpluses would thus be limited if not fatally obstructed. To stake the future prosperity of American agriculture upon the course of action to be taken by foreign governments acting under such hostile impulses is altogether too hazardous.

Many of the objections urged in my former veto message apply with equal force to the present bill. No good purpose would be served, however, by repeating them in detail.

The bill now under consideration also includes objectionable features not found in the one of the last session.

The present measure would authorize the board to insure co-operative associations against price decline and require the nonmembers as well as the members to bear the cost under the so-called "nonpremium insurance." All producers would be compelled not only to bear the risk of the few, but also to insure them against the consequences of bad management.

We all believe in sound co-operation; the Government has gone far in recent years to aid it, and I have recommended additional steps for its encouragement; but no system of co-operation founded on the favoritism contemplated under the name of "nonpremium insurance" could be of lasting benefit to agricultural co-operation.

This bill also provides that the equalization fee collected on any agricultural commodity produced in the United States shall in addition be collected on importations of that commodity. This provision would empower the board to do the following:

1. Regulate foreign commerce, for the equalization fee on imports would be in fact a tariff. This surely would be a delegation of legislative

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TOMB OF THE UNKNOWN SOLDIER, ARLINGTON MEMORIAL CEMETERY

power, since no logical rule is prescribed to govern the board's actions in making this addition to import duties.

2. Raise the domestic price to the consumer, not only to the full amount permitted by the tariff, but as far above that amount as the board might deem proper and expedient. This effect on domestic prices was clearly contemplated by the Committee on Agriculture of the House. Speaking of the effect of this provision on wheat, the committee said:

> Therefore the maximum price for all wheat, whether of domestic or foreign origin, would approximate a level that included both the tariff and the equalization fee.

3. Nullify the provision of the tariff act that tariff rates shall be based on differences in cost of production here and abroad, so far as that provision relates to agricultural products.

An effort has been made to create the impression that the present bill is an important concession to my recommendations for the control of agricultural surplus. It has been emphasized that the loan provision is what this administration has recommended and that loans to co-operative associations for the control of crop surplus constitute one or two alternatives, with the equalization fee the other alternative. It is said that the first alternative will be tried first and that the equalization fee will be resorted to only if the loan provision should prove inadequate. It becomes apparent, however, upon careful study of the present bill and of the supporting committee reports that these alleged alternatives can afford no real test of any plan of the kind I have recommended.

The board is authorized to invoke the trade agreement and the equalization fee only upon finding three facts: (1) "That there is or may be during the ensuing year a seasonal or year's total surplus * * * in excess of the requirements for orderly marketing or in excess of the domestic requirements for the commodity"; (2) "That the nature of the commodity—its durability, preservability, methods of marketing, etc.—adapts it to the operations contemplated"; and (3) that the cooperative associations are unable or unwilling to handle the surplus under the loan provision—i. e., that the "first alternative" is inadequate.

These conditions are always present. It is provided (sec. 8) that the board shall inquire into these facts upon request of the advisory councils, or organization of producers, or upon its own motion. The board could not escape making the three "findings" and would therefore be obliged to enter into trade agreements and to use the equalization fee from the beginning.

A surplus in excess of orderly marketing, *or* (the word "and" is not used) in excess of domestic requirements is always present in

many agricultural commodities. The exportation of any part of the domestic output proves the existence of such a surplus.

The second "finding" is equally inescapable because it is based on ever-present and obvious facts. Numerous commodities—cotton, wheat, corn, rice, tobacco, processed meats, and other products—always have the durability, preservability, etc., that render them adaptable to the operations contemplated in this bill.

The third "finding is also assured in advance because it is certain that the cooperative associations would be both unwilling and unable to handle the surplus under the terms of this bill. Under the first alternative (the loan provision) the cooperative associations would be obliged to repay their loans with 4 per cent interest and pay their losses, if any, in the normal course of trade. Under the second alternative (the equalization fee plan) not only would the board make advances to the associations without interest but would also guarantee to pay their "losses, costs, and charges." Moreover, the equalization fee and the nonpremium insurance would enable the board to insure them against decline in market price and against the consequences of bad management in merchandising their products, and to compel all producers of the commodity—members and nonmembers—to pay for the insurance. These inducements are surely sufficient to insure unwillingness of the cooperative associations to accept the first alternative.

Both unwillingness and inability of the cooperative associations to handle the surplus under the loan provision are made doubly certain by the central objective of the bill, which is to inflate domestic prices and to dump the surplus abroad at a loss. These associations, and everyone else who has given thought to the matter, know that this can not be done by loans and that it never was contemplated under the plan I have proposed.

The objectives of the type of legislation I have suggested and of this bill are radically different. The two proposals are therefore incompatible as practical alternatives. The object of my proposal is to aid in adjusting production to demand, to afford farmers a greater bargaining power, to handle surplus due to seasonal and other causes beyond the control of producers when unaided by strong business organizations, to minimize price fluctuations, and to reduce the margin between the price paid by the consumer and the price received by the producer.

The real objective of the plan in this bill is to raise domestic prices to artificially high levels by governmental price fixing and to dump the surplus abroad.

While agriculture has been distressed in many countries since the World War, the severity of the agricultural depression in the United

States must not be underestimated. It is true there has been an increase in prices and purchasing power of agricultural products. Many important farm products have increased rapidly in price in recent months. Nor should we overlook the fact that our farmers have made noteworthy progress since 1921 both in the purchasing power of their products and in the output per worker in agriculture. The latter is the result of improved methods and equipment, and is in keeping with the fundamental cause of American prosperity—high productivity per worker. Moreover, we should avoid the error of seeking in laws the cause of the ills of agriculture. This mistake leads away from a permanent solution, and serves only to make political issues out of fundamental economic problems that can not be solved by political action.

In conclusion, if the measure is enacted one would be led to wonder how long it would be before producers in other lines would clamor for similar "equalizing" subsidies from the public coffers. The lobbies of Congress would be filled with emissaries from every momentarily distressed industry demanding similar relief of a burdensome surplus at the expense of the Treasury. Once we plunged into the futile sophistries of such a system of wholesale commercial doles for special groups of middlemen and distributors at the expense of farmers and other producers, it is difficult to see what the end might be.

I have believed at all times that the only sound basis for further Federal Government action in behalf of agriculture would be to encourage its adequate organization to assist in building up marketing agencies and facilities in the control of the farmers themselves. I want to see them undertake, under their own management, the marketing of their products under such conditions as will enable them to bring about greater stability in prices and less waste in marketing, but entirely within unalterable economic laws. Such a program, supported by a strong protective tariff on farm products, is the best method of effecting a permanent cure of existing agricultural ills. Such a program is in accordance with the American tradition and the American ideal of reliance on and maintenance of private initiative and individual responsibility, and the duty of the Government is discharged when it has provided conditions under which the individual can achieve success.

I am still hopeful that legislation along the lines suggested in my last annual message, with which many of the provisions of this bill are in harmony, may be enacted, but this bill embodies substantially all of the objectionable features which I said, in that message to Congress, I could not indorse. I am therefore obliged to return Senate bill 3555, entitled "An act to establish a Federal farm board to aid in the orderly marketing and in the control and distribution of the surplus of agricultural commodities in interstate and foreign commerce" without my approval.

CALVIN COOLIDGE.

STATE DEPARTMENT STATEMENT

[Text of the Anti-War Treaties Signed in the Summer of 1928 With Most of the Great Countries of the World.]

The President of the German Reich, the President of the United States of America, his Majesty the King of the Belgians, the President of the French Republic, his Majesty the King of Great Britain, Ireland, the British Dominions Beyond the Seas, Emperor of India, his Majesty the King of Italy, his Majesty the Emperor of Japan, the President of the Republic of Poland, the President of the Czecho-Slovak Republic,

Deeply sensible of their solemn duty to promote the welfare of mankind;

Persuaded that the time has come when a frank renunciation of war as an instrument of national policy should be made to the end that the peaceful and friendly relations now existing between their peoples may be perpetuated;

Convinced that all changes in their relations with one another should be sought only by pacific means and be the result of a peaceful and orderly process; and that any signatory power which shall hereafter seek to promote its national interests by resort to war should be denied the benefits furnished by this treaty;

Hopeful that, encouraged by their example, all the other nations of the world will join in this humane endeavor and by adhering to the present treaty as soon as it comes into force bring their peoples within the scope of its beneficent provisions, thus uniting the civilized nations of the world in a common renunciation of war as an instrument of their national policy;

Have decided to conclude a treaty, and for that purpose have appointed as their respective plenipotentiaries:

The President of the German Reich, Dr. Gustav Stresemann, Minister for Foreign Affairs;

The President of the United States of America, the Hon. Frank B. Kellogg, Secretary of State;

His Majesty the King of the Belgians, M. Paul Hymans, Minister for Foreign Affairs, Minister of State;

The President of the French Republic, M. Aristide Briand, Minister for Foreign Affairs;

His Majesty the King of Great Britain, Ireland and the British Dominions Beyond the Seas, Emperor of India;

For Great Britain and Northern Ireland and all parts of the British Empire which are not separate members of the League of Nations, the Right Hon. Lord Cushendun, Chancellor of the Duchy of Lancaster, Acting Secretary of State for Foreign Affairs;

For the Dominion of Canada, the Right Hon. William Lyon Mackenzie-King, Prime Minister and Minister for External Affairs;

For the Commonwealth of Australia, the Hon. Alexander John McLachlen, member of the Executive Federal Council;

For the Dominion of New Zealand, the Hon. Sir Christopher James Parr, High Commissioner for New Zealand in Great Britain;

For the Union of South Africa, the Hon. Jacobus Steppanus Smit, High Commissioner for the Union of South Africa in Great Britain;

For the Irish Free State, Mr. William Thomas Cosgrave, President of the Executive Council of the Irish Free State;

For India, the Right Hon. Lord Cushendun, Chancellor of the Duchy of Lancaster, Acting Secretary of State for Foreign Affairs;

His Majesty, the King of Italy, Count Gaetano Manzoni, His Ambassador Extraordinary and Plenitotentiary at Paris;

His Majesty, the Emperor of Japan, Count Uchida, member of the Privy Council;

The President of the Republic of Poland, Mr. A. Zales, Minister for Foreign Affairs;

The President of the Czechoslovak Republic, Dr. Eduard Benes, Minister for Foreign Affairs.

Who, having communicated to one another their full powers found in good and due form, have agreed upon the following articles:

ARTICLE I.

The High Contracting Parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in their relations with one another.

ARTICLE II.

The High Contracting Parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

ARTICLE III.

The present treaty shall be ratified by the High Contracting Parties named in the preamble in accordance with their respective constitutional requirements, and shall take effect as between them as soon as all their several instruments of ratification shall have been deposited at Washington.

This treaty shall, when it has come into effect as prescribed in the preceding paragraph, remain open as long as may be necessary for adher-

ence by all the other powers of the world. Every instrument evidencing the adherence of a power shall be deposited at Washington and the treaty shall immediately upon such deposit become effective as between the power thus adhering and the other parties hereto.

It shall be the duty of the Government of the United States of America to furnish each government named in the preamble and every government subsequently adhering to this treaty with a certified copy of the treaty and of every instrument of ratification or adherence. It shall also be the duty of the Government of the United States of America telegraphically to notify such governments immediately upon the deposit with it of each instrument of ratification or adherence.

In faith whereof the plenipotentiaries have signed this treaty in the French and English languages, both texts having equal force, and hereunto affixed their seals.

Done at Paris the twenty-seventh day of August in the year one thousand nine hundred and twenty-eight.

ARMISTICE DAY ADDRESS

WASHINGTON, D. C., *November 11, 1928.*

Fellow countrymen, we meet to give thanks for ten more years of peace. Amid the multitude of bounties which have been bestowed upon us, we count that our supreme blessing. In all our domestic and foreign relations our chief concern is that it should be permanent. It is our belief that it is coming to be more and more realized as the natural state of mankind. Yet, while we are placing our faith in more complete understandings which shall harmonize with the universal conscience, we ought not to forget that all the rights we now possess, the peace we now enjoy, have been secured for us by a long series of sacrifices and of conflicts. We are able to participate in this celebration because our country had the resources, the character, and the spirit to raise, equip, and support with adequate supplies an Army and a Navy which, by placing more than 2,000,000 men on the battle fields of Europe, contributed to the making of the armistice on the 11th day of November, 1918.

Our first thought, then, is to acknowledge the obligation which the Nation owes to those who served in our forces afloat and ashore, which contributed the indispensable factor to the final victory. Although all our people became engaged in this great conflict, some in furnishing money, some in producing food and clothing, some in making munitions, some in administering our Government, the place of honor will always be accorded to the men and the women who wore the uniform of our country—the living and the dead.

When the great conflict finally broke upon us we were unprepared to meet its military responsibilities. What Navy we possessed at that time, as is always the case with our Navy, was ready. Admiral Sims at once carried new courage and new energy to the contest on the sea. So complete was the defense of our transports that the loss by enemy attack in sending our land forces to Europe was surprisingly small.

As we study the record of our Army in France, we become more and more impressed by three outstanding features. The unity of the American forces and the integrity of the American command were always preserved. They were trained with a thoroughness becoming the tradition of McClellan, they were fought with tenacity and skill worthy of the memory of Grant. And finally, they were undefeated. For these outstanding accomplishments, which were the chief sources of the glory of our arms, we are indebted to the genius of General Pershing.

It is unnecessary to recount with any detail our experience in the war. It was a new revelation, not only of the strength, but of the unity of our people. No country ever exhibited a more magnificent spirit or demonstrated a higher degree of patriotic devotion. The great organizing ability of our industrial leaders, the unexpected strength of our financial resources, the dedication of our entire man power under the universal service law, the farm and the factory, the railroad and the bank, 4,000,000 men under arms and 6,000,000 men in reserve, all became one mighty engine for the prosecution of the war. All together it was the greatest power that any nation on earth had ever assembled.

When it was all over, in spite of the great strain, we were the only country that had much reserve power left. Our foodstuffs were necessary to supply urgent needs; our money was required to save from financial disaster. Our resources delivered Europe from starvation and ruin.

In the final treaty of peace not only was the map of Europe remade, but the enormous colonial possessions of Germany were divided up among certain allied nations. Such private property of her nationals as they held was applied to the claim for reparations. We neither sought nor took any of the former German possessions. We have provided by law for returning the private property of her nationals.

Yet our own outlay had been and was to continue to be a perfectly enormous sum. It is sometimes represented that this country made a profit out of the war. Nothing could be further from the truth. Up to the present time our own net war costs, after allowing for our foreign-debt expectations, are about $36,500,000,000. To retire the balance of our public debt will require about $7,000,000,000 in interest. Our Veterans' Bureau and allied expenses are already running at over

$500,000,000 a year in meeting the solemn duty to the disabled and dependent. With what has been paid out and what is already apparent, it is probable that our final cost will run well toward $100,000,000,000, or half the entire wealth of the country when we entered the conflict.

Viewed from its economic results, war is the most destructive agency that ever afflicts the earth. Yet it is the dead here and abroad who are gone forever. While our own losses were thus very large, the losses of others required a somewhat greater proportionate outlay, but they are to be reduced by territorial acquisitions and by reparations. While we shall receive some further credits on the accounts I have stated as our costs, our outlay will be much greater than that of any other country. Whatever may be thought or said of us, we know, and every informed person should know, that we reaped no selfish benefit from the war. No citizen of the United States needs to make any apology to anybody anywhere for not having done our duty in defense of the cause of world liberty.

Such benefits as came to our country from our war experience were not represented by material values but by spiritual values. The whole standard of our existence was raised; the conscience and the faith of the Nation were quickened with new life. The people awoke to the drumbeats of a new destiny.

In common with most of the great powers we are paying the cost of that terrible tragedy. On the whole, the war has made possible a great advance in self-government in Europe, yet in some quarters society was so near disintegration that it submitted to new forms of absolutism to prevent anarchy. The whole essence of war is destruction. It is the negation and the antithesis of human progress. No good thing ever came out of war that could not better have been secured by reason and conscience.

Every dictate of humanity constantly cries aloud that we do not want any more war. We ought to take every precaution and make every honorable sacrifice, however great, to prevent it. Still, the first law of progress requires the world to face facts, and it is equally plain that reason and conscience are as yet by no means supreme in human affairs. The inherited instinct of selfishness is very far from being eliminated; the forces of evil are exceedingly powerful.

The eternal questions before the nations are how to prevent war and how to defend themselves if it comes. There are those who see no answer, except military preparation. But this remedy has never proved sufficient. We do not know of any nation which has ever been able to provide arms enough so as always to be at peace. Fifteen years ago the most thoroughly equipped people of Europe were Germany and France. We saw what happened. While Rome maintained a general

peace for many generations, it was not without a running conflict on the borders which finally engulfed the empire. But there is a wide distinction between absolute prevention and frequent recurrence, and peace is of little value if it is constantly accompanied by the threatened or the actual violation of national rights.

If the European countries had neglected their defenses, it is probable that war would have come much sooner. All human experience seems to demonstrate that a country which makes reasonable preparation for defense is less likely to be subject to a hostile attack and less likely to suffer a violation of its rights which might lead to war. This is the prevailing attitude of the United States and one which I believe should constantly determine its actions. To be ready for defense is not to be guilty of aggression. We can have military preparation without assuming a military spirit. It is our duty to ourselves and to the cause of civilization, to the preservation of domestic tranquillity, to our orderly and lawful relations with foreign people, to maintain an adequate Army and Navy.

We do not need a large land force. The present size of our Regular Army is entirely adequate, but it should continue to be supplemented by a National Guard and Reserves, and especially with the equipment and organization in our industries for furnishing supplies. When we turn to the sea the situation is different. We have not only a long coast line, distant outlying possessions, a foreign commerce unsurpassed in importance, and foreign investments unsurpassed in amount, the number of our people and value of our treasure to be protected, but we are also bound by international treaty to defend the Panama Canal. Having few fueling stations, we require ships of large tonnage, and having scarcely any merchant vessels capable of mounting 5 or 6-inch guns, it is obvious that, based on needs, we are entitled to a larger number of warships than a nation having these advantages.

Important, however, as we have believed adequate national defense to be for preserving order and peace in the world, we have not considered it to be the only element. We have most urgently and to some degree successfully advocated the principle of the limitation of armaments. We think this should apply both to land and sea forces, but as the limitation of armies is very largely a European question we have wished the countries most interested to take the lead in deciding this among themselves. For the purpose of naval limitation we called the Washington Conference and secured an agreement as to capital ships and airplane carriers, and also as to the maximum unit tonnage and maximum caliber of guns of cruisers. But the number of cruisers, lesser craft, and submarines have no limit.

It no doubt has some significance that foreign governments made agreements limiting that class of combat vessels in which we were supe-

rior, but refused limitation in the class in which they were superior. We made altogether the heaviest sacrifice in scrapping work which was already in existence. That should forever remain not only a satisfaction to ourselves but a demonstration to others of our good faith in advocating the principle of limitations. At that time we had 23 cruisers and 10 more nearly completed. One of these has since been lost, and 22 are nearly obsolete. To replace these, we have started building 8. The British have since begun and completed 7, are building 8, and have 5 more authorized. When their present legislation is carried out they have 68 cruisers. When ours is carried out, we would have 40. It is obvious that, eliminating all competition, world standards of defense require us to have more cruisers.

This was the situation when I requested another conference, which the British and Japanese attended, but to which Italy and France did not come. The United States there proposed a limitation of cruiser tonnage of 250,000 to 300,000 tons. As near as we could figure out their proposal, the British asked for from 425,000 to 600,000 tons. As it appeared to us that to agree to so large a tonnage constituted not a limitation, but an extension of war fleets, no agreement was made.

Since that time no progress seems to have been made. In fact, the movements have been discouraging. During last summer France and England made a tentative offer which would limit the kind of cruisers and submarines adapted to the use of the United States, but left without limit the kind adapted to their use. The United States of course refused to accept this offer. Had we not done so, the French Army and the English Navy would be so near unlimited that the principle of limitations would be virtually abandoned. The nations have already accomplished much in the way of limitations and we hope may accomplish more when the preliminary conference called by the League of Nations is reconvened.

Meantime, the United States and other nations have been successfully engaged in undertaking to establish additional safeguards and securities to the peace of the world by another method. Throughout all history war has been occuring until it has come to be recognized by custom and practice as having a certain legal standing. It has been regarded as the last resort, and has too frequently been the first. When it was proposed that this traditional attitude should be modified between the United States and France, we replied that it should be modified among all nations. As a result, representatives of 15 powers have met in Paris and signed a treaty which condemns recourse to war, renounces it as a national policy, and pledges themselves not to seek to resolve their differences except by peaceful action.

While this leaves the question of national defense and limitation of

armaments practically where they were, as the negative supports of peace, it discards all threat of force and approaches the subject on its positive side. For the first time in the world the leading powers bind themselves to adjust disputes without recourse to force. While recognizing to the fullest extent the duty of self-defense, and not undertaking, as no human ingenuity could undertake, an absolute guaranty against war, it is the most complete and will be the most effective instrument for peace that was ever devised.

So long as promises can be broken and treaties can be violated, we can have no positive assurances, yet every one knows they are additional safeguards. We can only say that this is the best that mortal man can do. It is beside the mark to argue that we should not put faith in it. The whole scheme of human society, the whole progress of civilization, requires that we should have faith in men and in nations. There is no other positive power on which we could rely. All the values that have ever been created, all the progress that has ever been made, declare that our faith is justified.

For the cause of peace, the United States is adopting the only practical principles that have ever been proposed, of preparation, limitation, and renunciation. The progress that the world has made in this direction in the last 10 years surpasses all the progress ever before made.

Recent developments have brought to us not only a new economic but a new political relationship to the rest of the world. We have been constantly debating what our attitude ought to be toward the European nations. Much of our position is already revealed by the record. It can truthfully be characterized as one of patience, consideration, restraint, and assistance. We have accepted settlement of obligations, not in accordance with what was due but in accordance with the merciful principle of what our debtors could pay. We have given of our counsel when asked and of our resources for constructive purposes, but we have carefully refrained from all intervention which was unsought or which we believed would be ineffective, and we have not wished to contribute to the support of armaments. Whatever assistance we may have given to finishing the war, we feel free from any responsibility for beginning it. We do not wish to finance preparation for a future war.

We have heard an impressive amount of discussion concerning our duty to Europe. Our own people have supplied considerable quantities of it. Europe itself has expressed very definite ideas on this subject. We do have such duties. We have acknowledged them and tried to meet them. They are not all on one side, however. They are mutual. We have sometimes been reproached for lecturing Europe, but probably ours are not the only people who sometimes engage in gratuitous

criticism and advice. We have also been charged with pursuing a policy of isolation. We are not the only people either who desire to give their attention to their own affairs. It is quite evident that both of these claims can not be true. I think no informed person at home or abroad would blame us for not intervening in affairs which are peculiarly the concern of others to adjust or when we are asked for help for stating clearly the terms on which we are willing to respond.

Immediately following the war we went to the rescue of friend and foe alike in Europe on the grounds of humanity. Later our experts joined with their experts in making a temporary adjustment of German reparations and securing the evacuation of the Ruhr. Our people lent $110,000,000 to Germany to put that plan into immediate effect. Since 1924 Germany has paid on reparations about $1,300,000,000, and our people have lent to national, state, and municipal governments and to corporations in Germany a little over $1,100,000,000. It could not be claimed that this money is the entire source from which reparations have been directly paid, but it must have been a large factor in rendering Germany able to pay. We also lent large sums to the governments and corporations in other countries to aid in their financial rehabilitation.

I have several times stated that such ought to be our policy. But there is little reason for sending capital abroad while rates for money in London and Paris are at 4 or 5 per cent, while ours are much higher. England is placing very considerable loans abroad; France has had large credits abroad, some of which have been called home. Both are making very large outlays for military purposes. Europe on the whole has arrived at a state of financial stability and prosperity where it can not be said we are called on to help or act much beyond a strict business basis. The needs of our own people require that any further advances by us must have most careful consideration.

For the United States not to wish Europe to prosper would be not only a selfish, but an entirely unenlightened view. We want the investment of life and money which we have made there to be to their benefit. We should like to have our Government debts all settled, although it is probable that we could better afford to lose them than our debtors could afford not to pay them. Divergent standards of living among nations involve many difficult problems. We intend to preserve our high standards of living and we should like to see all other countries on the same level. With a whole-hearted acceptance of republican institutions, with the opening of opportunity to individual initiative, they are certain to make much progress in that direction.

It is always plain that Europe and the United States are lacking in mutual understanding. We are prone to think they can do as we can

do. We are not interested in their age-old animosities, we have not suffered from centuries of violent hostilities. We do not see how difficult it is for them to displace distrust in each other with faith in each other. On the other hand, they appear to think that we are going to do exactly what they would do if they had our chance. If they would give a little more attention to our history and judge us a little more closely by our own record, and especially find out in what directions we believe our real interests to lie, much which they now appear to find obscure would be quite apparent.

We want peace not only for the same reason that every other nation wants it, because we believe it to be right, but because war would interfere with our progress. Our interests all over the earth are such that a conflict anywhere would be enormously to our disadvantage. If we had not been in the World War, in spite of some profit we made in exports, whichever side had won, in the end our losses would have been very great. We are against aggression and imperialism not only because we believe in local self-government, but because we do not want more territory inhabited by foreign people. Our exclusion of immigration should make that plain. Our outlying possessions, with the exception of the Panama Canal Zone, are not a help to us, but a hindrance. We hold them, not as a profit, but as a duty. We want limitation of armaments for the welfare of humanity. We are not merely seeking our own advantage in this, as we do not need it, or attempting to avoid expense, as we can bear it better than anyone else.

If we could secure a more complete reciprocity in good will, the final liquidation of the balance of our foreign debts, and such further limitation of armaments as would be commensurate with the treaty renouncing war, our confidence in the effectiveness of any additional efforts on our part to assist in the further progress of Europe would be greatly increased.

As we contemplate the past ten years, there is every reason to be encouraged. It has been a period in which human freedom has been greatly extended, in which the right of self-government has come to be more widely recognized. Strong foundations have been laid for the support of these principles. We should by no means be discouraged because practice lags behind principle. We make progress slowly and over a course which can tolerate no open spaces. It is a long distance from a world that walks by force to a world that walks by faith. The United States has been so placed that it could advance with little interruption along the road of freedom and faith.

It is befitting that we should pursue our course without exultation, with due humility, and with due gratitude for the important contributions of the more ancient nations which have helped to make possible our present progress and our future hope. The gravest responsibilities

that can come to a people in this world have come to us. We must not fail to meet them in accordance with the requirements of conscience and righteousness.

SIXTH ANNUAL MESSAGE TO CONGRESS

THE WHITE HOUSE, *December 4, 1928.*

TO THE CONGRESS OF THE UNITED STATES:

No Congress of the United States ever assembled, on surveying the state of the Union, has met with a more pleasing prospect than that which appears at the present time. In the domestic field there is tranquillity and contentment, harmonious relations between management and wage earner, freedom from industrial strife, and the highest record of years of prosperity. In the foreign field there is peace, the good will which comes from mutual understanding, and the knowledge that the problems which a short time ago appeared so ominous are yielding to the touch of manifest friendship. The great wealth created by our enterprise and industry, and saved by our economy, has had the widest distribution among our own people, and has gone out in a steady stream to serve the charity and the business of the world. The requirements of existence have passed beyond the standard of necessity into the region of luxury. Enlarging production is consumed by an increasing demand at home and an expanding commerce abroad. The country can regard the present with satisfaction and anticipate the future with optimism.

The main source of these unexampled blessings lies in the integrity and character of the American people. They have had great faith, which they have supplemented with mighty works. They have been able to put trust in each other and trust in their Government. Their candor in dealing with foreign governments has commanded respect and confidence. Yet these remarkable powers would have been exerted almost in vain without the constant cooperation and careful administration of the federal Government.

We have been coming into a period which may be fairly characterized as a conservation of our national resources. Wastefulness in public business and private enterprise has been displaced by constructive economy. This has been accomplished by bringing our domestic and foreign relations more and more under a reign of law. A rule of force has been giving way to a rule of reason. We have substituted for the vicious circle of increasing expenditures, increasing tax rates, and diminishing profits the charmed circle of diminishing expenditures, diminishing tax rates and increasing profits.

Four times we have made a drastic revision of our internal revenue system, abolishing many taxes and substantially reducing almost all others. Each time the resulting stimulation to business has so increased taxable incomes and profits that a surplus has been produced. One-third of the national debt has been paid, while much of the other two-thirds has been refunded at lower rates, and these savings of interest and constant economies have enabled us to repeat the satisfying process of more tax reductions. Under this sound and healthful encouragement the national income has increased nearly fifty per cent, until it is estimated to stand well over $90,000,000,000. It has been a method which has performed the seeming miracle of leaving a much greater percentage of earnings in the hands of the taxpayers with scarcely any diminution of the Government revenue. That is constructive economy in the highest degree. It is the corner stone of prosperity. It should not fail to be continued.

This action began by the application of economy to public expenditure. If it is to be permanent, it must be made so by the repeated application of economy. There is no surplus on which to base further tax revision at this time. Last June the estimates showed a threatened deficit for the current fiscal year of $94,000,000. Under my direction the departments began saving all they could out of their present appropriations. The last tax reduction brought an encouraging improvement in business, beginning early in October, which will also increase our revenue. The combination of economy and good times now indicates a surplus of about $37,000,000. This is a margin of less than one per cent on our expenditures and makes it obvious that the Treasury is in no condition to undertake increases in expenditures to be made before June 30. It is necessary therefore during the present session to refrain from new appropriations for immediate outlay, or if such are absolutely required to provide for them by new revenue; otherwise, we shall reach the end of the year with the unthinkable result of an unbalanced budget. For the first time during my term of office we face that contingency. I am certain that the Congress would not pass and I should not feel warranted in approving legislation which would involve us in that financial disgrace.

On the whole the finances of the Government are most satisfactory. Last year the national debt was reduced about $906,000,000. The refunding and retirement of the second and third Liberty Loans have just been brought to a successful conclusion, which will save about $75,000,000 a year in interest. The unpaid balance has been arranged in maturities convenient for carrying out our permanent debt-paying program.

The enormous savings made have not been at the expense of any legitimate public need. The Government plant has been kept up and

many improvements are under way, while its service is fully manned and the general efficiency of operation has increased. We have been enabled to undertake many new enterprises. Among these are the adjusted compensation of the veterans of the World War, which is costing us $112,000,000 a year; amortizing our liability to the civil-service retirement funds, $20,000,000; increase of expenditures for rivers and harbors including flood control, $43,000,000; public buildings, $47,000,000. In 1928 we spent $50,000,000 in the adjustment of war claims and alien property. These are examples of a large list of items.

FOREIGN RELATIONS

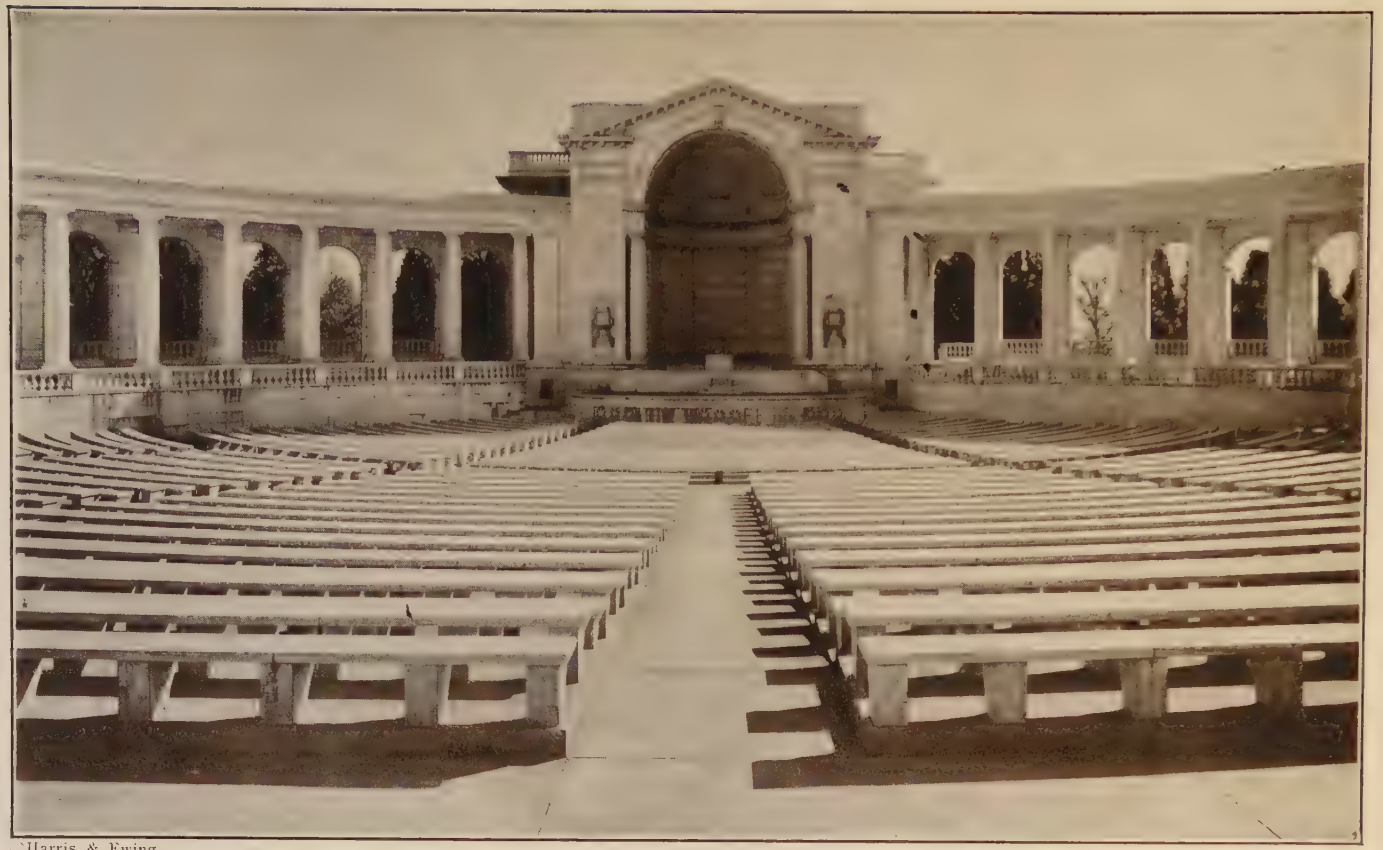
When we turn from our domestic affairs to our foreign relations, we likewise perceive peace and progress. The Sixth International Conference of American States was held at Havana last winter. It contributed to a better understanding and cooperation among the nations. Eleven important conventions were signed and seventy-one resolutions passed. Pursuant to the plan then adopted, this Government has invited the other twenty nations of this hemisphere to a conference on conciliation and arbitration, which meets in Washington on December 10. All the nations have accepted and the expectation is justified that important progress will be made in methods for revolving international differences by means of arbitration.

During the year we have signed eleven new arbitration treaties, and twenty-two more are under negotiation.

NICARAGUA

When a destructive and bloody revolution lately broke out in Nicaragua, at the earnest and repeated entreaties of its Government I dispatched our Marine forces there to protect the lives and interests of our citizens. To compose the contending parties, I sent there Colonel Henry L. Stimson, former Secretary of War and now Governor General of the Philippine Islands, who secured an agreement that warfare should cease, a national election should be held and peace should be restored. Both parties conscientiously carried out this agreement, with the exception of a few bandits who later mostly surrendered or left the country. President Diaz appointed Brigadier General Frank R. McCoy, United States Army, president of the election board, which included also one member of each political party.

A free and fair election has been held and has worked out so successfully that both parties have joined in requesting like cooperation from this country at the election four years hence, to which I have refrained from making any commitments, although our country must be gratified at such an exhibition of success and appreciation.



Harris & Ewing

INTERIOR OF AUDITORIUM, ARLINGTON MEMORIAL CEMETERY

Nicaragua is regaining its prosperity and has taken a long step in the direction of peaceful self-government.

TACNA-ARICA

The long-standing differences between Chile and Peru have been sufficiently composed so that diplomatic relations have been resumed by the exchange of ambassadors. Negotiations are hopefully proceeding as this is written for the final adjustment of the differences over their disputed territory.

MEXICO

Our relations with Mexico are on a more satisfactory basis than at any time since their revolution. Many misunderstandings have been resolved and the most frank and friendly negotiations promise a final adjustment of all unsettled questions. It is exceedingly gratifying that Ambassador Morrow has been able to bring our two neighboring countries, which have so many interests in common, to a position of confidence in each other and of respect for mutual sovereign rights.

CHINA

The situation in China which a few months ago was so threatening as to call for the dispatch of a large additional force has been much composed. The Nationalist Government has established itself over the country and promulgated a new organic law anouncing a program intended to promote the political and economic welfare of the people. We have recognized this Government, encouraged its progress, and have negotiated a treaty restoring to China complete tariff autonomy and guaranteeing our citizens against discriminations. Our trade in that quarter is increasing and our forces are being reduced.

GREEK AND AUSTRIAN DEBTS

Pending before the Congress is a recommendation for the settlement of the Greek debt and the Austrian debt. Both of these are comparatively small and our country can afford to be generous. The rehabilitation of these countries awaits their settlement. There would also be advantages to our trade. We could scarcely afford to be the only nation that refuses the relief which Austria seeks. The Congress has already granted Austria a long-time moratorium, which it is understood will be waived and immediate payments begun on her debt on the same basis which we have extended to other countries.

PEACE TREATY

One of the most important treaties ever laid before the Senate of the United States will be that which the fifteen nations recently signed

at Paris, and to which forty-four other nations have declared their intention to adhere, renouncing war as a national policy and agreeing to resort only to peaceful means for the adjustment of international differences. It is the most solemn declaration against war, the most positive adherence to peace, that it is possible for sovereign nations to make. It does not supersede our inalienable sovereign right and duty of national defense or undertake to commit us before the event to any mode of action which the Congress might decide to be wise if ever the treaty should be broken. But it is a new standard in the world around which can rally the informed and enlightened opinion of nations to prevent their governments from being forced into hostile action by the temporary outbreak of international animosities. The The observance of this covenant, so simple and so straightforward, promises more for the peace of the world than any other agreement ever negotiated among the nations.

NATIONAL DEFENSE

The first duty of our Government to its own citizens and foreigners within its borders is the preservation of order. Unless and until that duty is met a government is not even eligible for recognition among the family of nations. The advancement of world civilization likewise is dependent upon that order among the people of different countries which we term peace. To insure our citizens against the infringement of their legal rights at home and abroad, to preserve order, liberty, and peace by making the law supreme, we have an Army and a Navy.

Both of these are organized for defensive purposes. Our Army could not be much reduced, but does not need to be increased. Such new housing and repairs as are necessary are under way and the five-year program in aviation is being put into effect in both branches of our service.

Our Navy, according to generally accepted standards, is deficient in cruisers. We have ten comparatively new vessels, twenty-two that are old, and eight to be built. It is evident that renewals and replacements must be provided. This matter was thoroughly canvassed at the last session of the Congress and does not need restatement. The bill before the Senate with the elimination of the time clause should be passed. We have no intention of competing with any other country. This building program is for necessary replacements and to meet our needs for defense

The cost of national defense is stupendous. It has increased $118,000,000 in the past four years. The estimated expenditure for 1930 is $668,000,000. While this is made up of many items it is, after all, mostly dependent upon numbers. Our defensive needs do not call

for any increase in the number of men in the Army or the Navy. We have reached the limit of what we ought to expend for that purpose.

I wish to repeat again for the benefit of the timid and the suspicous that this country is neither militaristic nor imperialistic. Many people at home and abroad, who constantly make this charge, are the same ones who are even more solicitous to have us extend assistance to foreign countries. When such assistance is granted, the inevitable result is that we have foreign interests. For us to refuse the customary support and protection of such interests would be in derogation of the sovereignty of this Nation. Our largest foreign interests are in the British Empire, France and Italy. Because we are constantly solicitous for those interests, I doubt if anyone would suppose that those countries feel we harbor toward them any militaristic or imperialistic design. As for smaller countries, we certainly do not want any of them. We are more anxious than they are to have their sovereignty respected. Our entire influence is in behalf of their independence. Cuba stands as a witness to our adherence to this principle.

The position of this Government relative to the limitation of armaments, the results already secured, and the developments up to the present time are so well known to the Congress that they do not require any restatement.

VETERANS

The magnitude of our present system of veterans' relief is without precedent, and the results have been far-reaching. For years a service pension has been granted to the Grand Army and lately to the survivors of the Spanish-American War. At the time we entered the World War, however, Congress departed from the usual pension system followed by our Government. Eleven years have elapsed since our laws were first enacted, initiating a system of compensation, rehabilitation, hospitalization, and insurance for the disabled of the World War and their dependents. The administration of all the laws concerning relief has been a difficult task, but it can safely be stated that these measures have omitted nothing in their desire to deal generously and humanely. We should continue to foster this system and provide all the facilities necessary for adequate care. It is the conception of our Government that the pension roll is an honor roll. It should include all those who are justly entitled to its benefits, but exclude all others.

Annual expenditures for all forms of veterans' relief now approximate $765,000,000, and are increasing from year to year. It is doubtful if the peak of expenditures will be reached even under present legislation for some time yet to come. Further amendments to the existing law will be suggested by the American Legion, the Veterans of Foreign Wars of the United States, the Disabled American Vet-

erans of the World War, and other like organizations, and it may be necessary for administrative purposes, or in order to remove some existing inequalities in the present law, to make further changes. I am sure that such recommendations as may be submitted to the Congress will receive your careful consideration. But because of the vast expenditure now being made each year, with every assurance that it will increase, and because of the great liberality of the existing law, the proposal of any additional legislation dealing with this subject should receive most searching scrutiny from the Congress.

You are familiar with the suggestion that the various public agencies now dealing with matters of veterans' relief be consolidated in one Government department. Some advantages to this plan seem apparent, especially in the simplification of administration and in the opportunity of bringing about a greater uniformity in the application of veterans' relief. I recommend that a survey be made by the proper committees of Congress dealing with this subject, in order to determine whether legislation to secure this consolidation is desirable.

AGRICULTURE

The past year has been marked by notable though not uniform improvement in agriculture. The general purchasing power of farm products and the volume of production have advanced. This means not only further progress in overcoming the price disparity into which agriculture was plunged in 1920-21, but also increased efficiency on the part of farmers and a well-grounded confidence in the future of agriculture.

The livestock industry has attained the best balance for many years and is prospering conspicuously. Dairymen, beef producers and poultrymen are receiving substantially larger returns than last year. Cotton, although lower in price than at this time last year, was produced in greater volume, and the prospect for cotton incomes is favorable. But progress is never uniform in a vast and highly diversified agriculture or industry. Cash grains, hay, tobacco and potatoes will bring somewhat smaller returns this year than last. Present indications are, however, that the gross farm income will be somewhat larger than in the crop year 1927-28, when the total was $12,253,000,000. The corresponding figure for 1926-27 was $12,127,000,000, and in 1925-26, $12,670,000,000. Still better results would have been secured this year had there not been an undue increase in the production of certain crops. This is particularly true of potatoes, which have sold at an unremunerative price, or at a loss, as a direct result of overexpansion of acreage.

The present status of agriculture, although greatly improved over that of a few years ago, bespeaks the need of further improvement, which calls for determined effort of farmers themselves, encouraged

and assisted by wise public policy. The Government has been, and must continue to be, alive to the needs of agriculture.

In the past eight years more constructive legislation of direct benefit to agriculture has been adopted than during any other period. The Department of Agriculture has been broadened and reorganized to insure greater efficiency. The department is laying greater stress on the economic and business phases of agriculture. It is lending every possible assistance to cooperative marketing associations. Regulatory and research work have been segregated in order that each field may be served more effectively.

I can not too strongly commend, in the field of fact finding, the research work of the Department of Agriculture and the state experiment stations. The department now receives annually $4,000,000 more for research than in 1921. In addition, the funds paid to the states for experimentation purposes under the Purnell Act constitute an annual increase in federal payments to state agricultural experiment stations of $2,400,000 over the amount appropriated in 1921. The program of support for research may wisely be continued and expanded. Since 1921 we have appropriated nearly an additional $2,000,000 for extension work, and this sum is to be increased next year under authorization by the Capper-Ketcham Act.

THE SURPLUS PROBLEM

While these developments in fundamental research, regulation and dissemination of agricultural information are of distinct help to agriculture, additional effort is needed. The surplus problem demands attention. As emphasized in my last message, the Government should assume no responsibility in normal times for crop surplus clearly due to overextended acreage. The Government should, however, provide reliable information as a guide to private effort; and in this connection fundamental research on prospective supply and demand, as a guide to production and marketing, should be encouraged. Expenditure of public funds to bring in more new land should have most searching scrutiny, so long as our farmers face unsatisfactory prices for crops and livestock produced on land already under cultivation.

Every proper effort should be made to put land to uses for which it is adapted. The reforestation of land best suited for timber production is progressing and should be encouraged, and to this end the forest taxation inquiry was instituted to afford a practical guide for public policy. Improvement has been made in grazing regulation in the forest reserves, not only to protect the ranges, but to preserve the soil from erosion. Similar action is urgently needed to protect other public lands which are now overgrazed and rapidly eroding.

Temporary expedients, though sometimes capable of appeasing the demands of the moment, can not permanently solve the surplus problem and might seriously aggravate it. Hence putting the Government directly into business, subsidies, and price fixing, and the alluring promises of political action as a substitute for private initiative, should be avoided.

The Government should aid in promoting orderly marketing and in handling surpluses clearly due to weather and seasonal conditions. As a beginning there should be created a federal farm board consisting of able and experienced men empowered to advise producers' associations in establishing central agencies or stabilization corporations to handle surpluses, to seek more economical means of merchandising, and to aid the producer in securing returns according to the quality of his product. A revolving loan fund should be provided for the necessary financing until these agencies shall have developed means of financing their operations through regularly constituted credit institutions. Such a bill should carry authority for raising the money, by loans or otherwise, necessary to meet the expense, as the Treasury has no surplus.

Agriculture has lagged behind industry in achieving that unity of effort which modern economic life demands. The cooperative movement, which is gradually building the needed organization, is in harmony with public interest and therefore merits public encouragement.

THE RESPONSIBILITY OF THE STATES

Important phases of public policy related to agriculture lie within the sphere of the states. While successive reductions in federal taxes have relieved most farmers of direct taxes to the national Government, state and local levies have become a serious burden. This problem needs immediate and thorough study with a view to correction at the earliest possible moment. It will have to be made largely by the states themselves.

COMMERCE

It is desirable that the Government continue its helpful attitude toward American business. The activities of the Department of Commerce have contributed largely to the present satisfactory position in our international trade, which has reached about $9,000,000,000 annually. There should be no slackening of effort in that direction. It is also important that the department's assistance to domestic commerce be continued. There is probably no way in which the Government can aid sound economic progress more effectively than by cooperating with our business men to reduce wastes in distribution.

COMMERCIAL AERONAUTICS

Continued progress in civil aviation is most gratifying. Demands for airplanes and motors have taxed both the industry and the licensing and inspection service of the Department of Commerce to their capacity. While the compulsory licensing provisions of the air commerce act apply only to equipment and personnel engaged in interstate and foreign commerce, a federal license may be procured by anyone possessing the necessary qualifications. State legislation, local airport regulations and insurance requirements make such a license practically indispensable. This results in uniformity of regulation and increased safety in operation, which are essential to aeronautical development. Over 17,000 young men and women have now applied for federal air-pilots' licenses or permits. More than eighty per cent of them applied during the past year.

Our national airway system exceeds 14,000 miles in length and has 7,500 miles lighted for night operations. Provision has been made for lighting 4,000 miles more during the current fiscal year and equipping an equal mileage with radio facilities. Three-quarters of our people are now served by these routes. With the rapid growth of air mail, express, and passenger service, this new transportation medium is daily becoming a more important factor in commerce. It is noteworthy that this development has taken place without governmental subsidies. Commercial passenger flights operating on schedule have reached 13,000 miles per day.

During the next fortnight this Nation will entertain the nations of the world in a celebration of the twenty-fifth anniversary of the first successful airplane flight. The credit for this epoch-making achievement belongs to a citizen of our own country, Orville Wright.

CUBAN PARCEL POST

I desire to repeat my recommendation of an earlier message, that Congress enact the legislation necessary to make permanent the Parcel Post Convention with Cuba, both as a facility to American commerce and as a measure of equity to Cuba in the one class of goods which that country can send here by parcel post without detriment to our own trade.

"MAINE" BATTLESHIP MEMORIAL

When I attended the Pan American Conference at Havana, the President of Cuba showed me a marble statue made from the original memorial that was overturned by a storm after it was erected on the Cuban shore to the memory of the men who perished in the destruction of the battleship *Maine*. As a testimony of friendship and appreciation

of the Cuban Government and people he most generously offered to present this to the United States, and I assured him of my pleasure in accepting it. There is no location in the White House for placing so large and heavy a structure, and I therefore urge the Congress to provide by law for some locality where it can be set up.

RAILROADS

In previous annual messages I have suggested the enactment of laws to promote railroad consolidation with the view of increasing the efficiency of transportation and lessening its cost to the public. While consolidations can and should be made under the present law until it is changed, yet the provisions of the act of 1920 have not been found fully adequate to meet the needs of other methods of consolidation. Amendments designed to remedy these defects have been considered at length by the respective committees of Congress and a bill was reported out late in the last session which I understand has the approval in principle of the Interstate Commerce Commission. It is to be hoped that this legislation may be enacted at an early date.

Experience has shown that the interstate commerce law requires definition and clarification in several other respects, some of which have been pointed out by the Interstate Commerce Commission in its annual reports to the Congress. It will promote the public interest to have the Congress give early consideration to the recommendations there made.

MERCHANT MARINE

The cost of maintaining the United States Government merchant fleet has been steadily reduced. We have established American flag lines in foreign trade where they had never before existed as a means of promoting commerce and as a naval auxiliary. There have been sold to private American capital for operation within the past few years fourteen of these lines, which, under the encouragement of the recent legislation passed by the Congress, give promise of continued successful operation. Additional legislation from time to time may be necessary to promote future advancement under private control.

Through the cooperation of the Post Office Department and the Shipping-Board long-term contracts are being made with American steamship lines for carrying mail, which already promise the construction of fifteen to twenty new vessels and the gradual reestablishment of the American merchant marine as a private enterprise. No action of the national Government has been so beneficial to our shipping. The cost is being absorbed to a considerable extent by the disposal of unprofitable lines operated by the Shipping Board, for which the new law has made a market. Meanwhile it should be our policy to main-

tain necessary strategic lines under the Government operation until they can be transferred to private capital.

INTER-AMERICAN HIGHWAY

In my message last year I expressed the view that we should lend our encouragement for more good roads to all the principal points on this hemisphere south of the Rio Grande. My view has not changed. The Pan American Union has recently indorsed it. In some of the countries to the south a great deal of progress is being made in road building. In others engineering features are often exacting and financing difficult. As those countries enter upon programs for road building we should be ready to contribute from our abundant experience to make their task easier of accomplishment. I prefer not to go into civil life to accomplish this end. We already furnish military and naval advisers, and following this precedent we could draw competent men from these same sources and from the Department of Agriculture.

We should provide our southern neighbors, if they request it, with such engineer advisers for the construction of roads and bridges. Private interests should look with favor upon all reasonable loans sought by these countries to open main lines of travel. Such assistance should be given especially to any project for a highway designed to connect all the countries on this hemisphere and thus facilitate intercourse and closer relations among them.

AIR MAIL SERVICE

The friendly relations and the extensive commercial intercourse with the Western Hemisphere to the south of us are being further cemented by the establishment and extension of air-mail routes. We shall soon have one from Key West, Fla., over Cuba, Haiti, and Santo Domingo to San Juan, P. R., where it will connect with another route to Trinidad. There will be another route from Key West to the Canal Zone, where connection will be made with a route across the northern coast of South America to Paramaribo. This will give us a circle around the Caribbean under our own control. Additional connections will be made at Colon with a route running down the west coast of South America as far as Concepcion, Chile, and with the French air mail at Paramaribo running down the eastern coast of South America. The air service already spans our continent, with laterals running to Mexico and Canada, and covering a daily flight of over 28,000 miles, with an average cargo of 15,000 pounds.

WATERWAYS

Our river and harbor improvements are proceeding with vigor. In the past few years we have increased the appropriation for this

regular work $28,000,000, besides what is to be expended on flood control. The total appropriation for this year was over $91,000,000. The Ohio River is almost ready for opening; work on the Missouri and other rivers is under way. In accordance with the Mississippi flood law Army engineers are making investigations and surveys on other streams throughout the country with a view to flood control, navigation, waterpower, and irrigation. Our barge lines are being operated under generous appropriations, and negotiations are developing relative to the St. Lawrence waterway. To secure the largest benefits from all these waterways joint rates must be established with the railroads, preferably by agreement, but otherwise as a result of congressional action.

We have recently passed several river and harbor bills. The work ordered by Congress, not yet completed, will cost about $243,000,000, besides the hundreds of millions to be spent on the Mississippi flood way. Until we can see our way out of this expense no further river and harbor legislation should be passed, as expenditures to put it into effect would be four or five years away.

IRRIGATION OF ARID LANDS

For many years the federal Government has been committed to the wise policy of reclamation and irrigation. While it has met with some failures due to unwise selection of projects and lack of thorough soil surveys, so that they could not be placed on a sound business basis, on the whole the service has been of such incalculable benefit in so many states that no one would advocate its abandonment. The program to which we are already committed, providing for the construction of new projects authorized by Congress and the completion of old projects, will tax the resources of the reclamation fund over a period of years. The high cost of improving and equipping farms adds to the difficulty of securing settlers for vacant farms on federal projects.

Readjustments authorized by the reclamation relief act of May 25, 1926, have given more favorable terms of repayment to settlers. These new financial arrangements and the general prosperity on irrigation projects have resulted in increased collections by the Department of the Interior of charges due the reclamation fund. Nevertheless, the demand for still smaller yearly payments on some projects continues. These conditions should have consideration in connection with any proposed new projects.

COLORADO RIVER

For several years the Congress has considered the erection of a dam on the Colorado River for flood-control, irrigation, and domestic

water purposes, all of which may properly be considered as Government functions. There would be an incidental creation of water power which could be used for generating electricity. As private enterprise can very well fill this field, there is no need for the Government to go into it. It is unfortunate that the states interested in this water have been unable to agree among themselves. Nevertheless, any legislation should give every possible safeguard to the present and prospective rights of each of them.

The Congress will have before it the detailed report of a special board appointed to consider the engineering and economic feasibility of this project. From the short summary which I have seen of it, I judge they consider the engineering problems can be met at somewhat increased cost over previous estimates. They prefer the Black Canyon site. On the economic features they are not so clear and appear to base their conclusions on many conditions which can not be established with certainty. So far as I can judge, however, from the summary, their conclusions appear sufficiently favorable, so that I feel warranted in recommending a measure which will protect the rights of the states, discharge the necessary Government functions, and leave the electrical field to private enterprise.

MUSCLE SHOALS

The development of our methods of producing nitrates will probably render this plant less important for that purpose than formerly. But we have it, and I am told it still provides a practical method of making nitrates for national defense and farm fertilizers. By dividing the property into its two component parts of power and nitrate plants it would be possible to dispose of the power, reserving the right to any concern that wished to make nitrates to use any power that might be needed for that purpose. Such a disposition of the power plant can be made that will return in rental about $2,000,000 per year. If the Congress would grant the Secretary of War authority to lease the nitrate plant on such terms as would insure the largest production of nitrates, the entire property could begin to function. Such a division, I am aware, has never seemed to appeal to the Congress. I should also gladly approve a bill granting authority to lease the entire property for the production of nitrates.

I wish to avoid building another dam at public expense. Future operators should provide for that themselves. But if they were to be required to repay the cost of such dam with the prevailing commercial rates for interest, this difficulty will be considerably lessened. Nor do I think this property should be made a vehicle for putting the United States Government indiscriminately into the private and retail field of power distribution and nitrate sales.

CONSERVATION

The practical application of economy to the resources of the country calls for conservation. This does not mean that every resource should not be developed to its full degree, but it means that none of them should be wasted. We have a conservation board working on our oil problem. This is of the utmost importance to the future well-being of our people in this age of oil-burning engines and the general application of gasoline to transportation. The Secretary of the Interior should not be compelled to lease oil lands of the Osage Indians when the market is depressed and the future supply is in jeopardy.

While the area of lands remaining in public ownership is small, compared with the vast area in private ownership, the natural resources of those in public ownership are of immense present and future value. This is particularly true as to minerals and water power. The proper bureaus have been classifying these resources to the end that they may be conserved. Appropriate estimates are being submitted, in the Budget, for the further prosecution of this important work.

IMMIGRATION

The policy of restrictive immigration should be maintained. Authority should be granted the Secretary of Labor to give immediate preference to learned professions and experts essential to new industries. The reuniting of families should be expedited. Our immigration and naturalization laws might well be codified.

WAGE EARNER

In its economic life our country has rejected the long accepted law of a limitation of the wage fund, which led to pessimism and despair because it was the doctrine of perpetual poverty, and has substituted for it the American conception that the only limit to profits and wages is production, which is the doctrine of optimism and hope because it leads to prosperity. Here and there the councils of labor are still darkened by the theory that only by limiting individual production can there be any assurance of permanent employment for increasing numbers, but in general, management and wage earner alike have become emancipated from this doom and have entered a new era in industrial thought which has unleashed the productive capacity of the individual worker with an increasing scale of wages and profits, the end of which is not yet. The application of this theory accounts for our widening distribution of wealth. No discovery ever did more to increase the happiness and prosperity of the people.

Since 1922 increasing production has increased wages in general 12.9 per cent, while in certain selected trades they have run as high as 34.9

per cent and 38 per cent. Even in the boot and shoe shops the increase is over 5 per cent and in woolen mills 8.4 per cent, although these industries have not prospered like others. As the rise in living costs in this period is negligible, these figures represent real wage increases.

The cause of constructive economy requires that the Government should cooperate with private interests to eliminate the waste arising from industrial accidents. This item, with all that has been done to reduce it, still reaches enormous proportions with great suffering to the workman and great loss to the country.

WOMEN AND CHILDREN

The federal Government should continue its solicitous care for the 8,500,000 women wage earners and its efforts in behalf of public health, which is reducing infant mortality and improving the bodily and mental condition of our citizens.

CIVIL SERVICE

The most marked change made in the civil service of the Government in the past eight years relates to the increase in salaries. The Board of Actuaries on the retirement act shows by its report that July 1, 1921, the average salary of the 330,047 employees subject to the act was $1,307, while on June 30, 1927, the average salary of the corresponding 405,263 was $1,969. This was an increase in six years of nearly 53 per cent. On top of this was the generous increase made at the last session of the Congress generally applicable to federal employees and another bill increasing the pay in certain branches of the Postal Service beyond the large increase which was made three years ago. This raised the average level from $1,969 to $2,092, making an increase in seven years of over 63 per cent. While it is well known that in the upper brackets the pay in the federal service is much smaller than in private employment, in the lower brackets, ranging well up over 3,000, it is much higher. It is higher not only in actual money paid, but in privileges granted, a vacation of 30 actual working days, or 5 weeks each year, with additional time running in some departments as high as 30 days for sick leave and the generous provisions of the retirement act. No other body of public servants ever occupied such a fortunate position.

EDUCATION

Through the Bureau of Education of the Department of the Interior the federal Government, acting in an informative and advisory capacity, has rendered valuable service. While this province belongs peculiarly to the states, yet the promotion of education and efficiency in educational methods is a general responsibility of the federal Government. A survey of negro colleges and universities in the United States has just

been completed by the Bureau of Education through funds provided by the institutions themselves and through private sources. The present status of negro higher education was determined and recommendations were made for its advancement. This was one of the numerous cooperative undertakings of the bureau. Following the invitation of the Association of Land Grant Colleges and Universities, the Bureau of Education now has under way the survey of agricultural colleges, authorized by Congress. The purpose of the survey is to ascertain the accomplishments, the status, and the future objectives of this type of educational training. It is now proposed to undertake a survey of secondary schools, which educators insist is timely and essential.

PUBLIC BUILDINGS

We have laid out a public building program for the District of Columbia and the country at large running into hundreds of millions of dollars. Three important structures and one annex are already under way and one addition has been completed in the City of Washington. In the country sites have been acquired, many buildings are in course of construction, and some are already completed. Plans for all this work are being prepared in order that it may be carried forward as rapidly as possible. This is the greatest building program ever assumed by this nation. It contemplates structures of utility and of beauty. When it reaches completion the people will be served and the federal city will be supplied with the most beautiful and stately public buildings which adorn any capital in the world.

THE AMERICAN INDIAN

The administration of Indian affairs has been receiving intensive study for several years. The Department of the Interior has been able to provide better supervision of health, education, and industrial advancement of this native race through additional funds provided by the Congress. The present cooperative arrangement existing between the Bureau of Indian Affairs and the Public Health Service should be extended. The Government's responsibility to the American Indian has been acknowledged by annual increases in appropriations to fulfill its obligations to them and to hasten the time when federal supervision of their affairs may be properly and safely terminated. The movement in Congress and in some of the state legislatures for extending responsibility in Indian affairs to states should be encouraged. A complete participation by the Indian in our economic life is the end to be desired.

THE NEGRO

For sixty-five years now our negro population has been under the peculiar care and solicitude of the national Government. The progress

which they have made in education and the professions, in wealth and in the arts of civilization, affords one of the most remarkable incidents in this period of world history. They have demonstrated their ability to partake of the advantages of our institutions and to benefit by a free and more and more independent existence. Whatever doubt there may have been of their capacity to assume the status granted to them by the Constitution of this Union is being rapidly dissipated. Their cooperation in the life of the Nation is constantly enlarging.

Exploiting the Negro problem for political ends is being abandoned and their protection is being increased by those states in which their percentage of population is largest. Every encouragement should be extended for the development of the race. The colored people have been the victims of the crime of lynching, which has in late years somewhat decreased. Some parts of the South already have wholesome laws for its restraint and punishment. Their example might well be followed by other states, and by such immediate remedial legislation as the federal Government can extend under the Constitution.

PHILIPPINE ISLANDS

Under the guidance of Governor General Stimson the economic and political conditions of the Philippine Islands have been raised to a standard never before surpassed. The cooperation between his administration and the people of the islands is complete and harmonious. It would be an advantage if relief from double taxation could be granted by the Congress to our citizens doing business in the islands.

PORTO RICO

Due to the terrific storm that swept Porto Rico last September, the people of that island suffered large losses. The Red Cross and the War Department went to their rescue. The property loss is being retrieved. Sugar, tobacco, citrus fruit, and coffee, all suffered damage. The first three can largely look after themselves. The coffee growers will need some assistance, which should be extended strictly on a business basis, and only after most careful investigation. The people of Porto Rico are not asking for charity.

DEPARTMENT OF JUSTICE

It is desirable that all the legal activities of the Government be consolidated under the supervision of the Attorney General. In 1870 it was felt necessary to create the Department of Justice for this purpose. During the intervening period, either through legislation creating law officers or departmental action, additional legal positions not under the supervision of the Attorney General have been provided until there are now over nine hundred. Such a condition is as harmful to the interest

of the Government now as it was in 1870, and should be corrected by appropriate legislation.

SPECIAL GOVERNMENT COUNSEL

In order to prosecute the oil cases, I suggested and the Congress enacted a law providing for the appointment of two special counsel. They have pursued their work with signal ability recovering all the leased lands besides nearly $30,000,000 in money, and nearly $17,000,000 in other property. They find themselves hampered by a statute, which the Attorney General construes as applying to them, prohibiting their appearing for private clients before any department. For this reason, one has been compelled to resign. No good result is secured by the application of this rule to these counsel, and as Mr. Roberts has consented to take reappointment if the rule is abrogated I recommend the passage of an amendment to the law creating their office exempting them from the general rule against taking other cases involving the Government.

PROHIBITION

The country has duly adopted the eighteenth amendment. Those who object to it have the right to advocate its modification or repeal. Meantime, it is binding upon the national and state Governments and all our inhabitants. The federal enforcement bureau is making every effort to prevent violations, especially through smuggling, manufacture, and transportation, and to prosecute generally all violations for which it can secure evidence. It is bound to continue this policy. Under the terms of the Constitution, however, the obligation is equally on the states to exercise the power which they have through the executive, legislative, judicial, and police branches of their governments in behalf of enforcement. The federal Government is doing and will continue to do all it can in this direction and is entitled to the active cooperation of the states.

CONCLUSION

The country is in the midst of an era of prosperity more extensive and of peace more permanent than it has ever before experienced. But, having reached this position, we should not fail to comprehend that it can easily be lost. It needs more effort for its support than the less exalted places of the world. We shall not be permitted to take our ease, but shall continue to be required to spend our days in unremitting toil. The actions of the Government must command the confidence of the country. Without this, our prosperity would be lost. We must extend to other countries the largest measure of generosity, moderation, and patience. In addition to dealing justly, we can well afford to walk humbly.

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COLONEL CHARLES A. LINDBERGH AND HIS MOTHER

The end of government is to keep open the opportunity for a more abundant life. Peace and prosperity are not finalities; they are only methods. It is too easy under their influence for a nation to become selfish and degenerate. This test has come to the United States. Our country has been provided with the resources with which it can enlarge its intellectual, moral, and spiritual life. The issue is in the hands of the people. Our faith in man and God is the justification for the belief in our continuing success.

CALVIN COOLIDGE.

BUDGET MESSAGE, 1928

THE WHITE HOUSE, *December 3, 1928.*

To the Congress of the United States:

Herewith is transmitted the Budget of the United States for the fiscal year ending June 30, 1930. The receipts and expenditures shown in detail in the Budget are summarized in the following statement:

Summary (exclusive of postal revenues and postal expenditures paid from postal revenues)

	Estimated, 1930	Estimated, 1929	Actual, 1928
Receipts:			
Customs	$ 582,000,000.00	$ 582,000,000.00	$ 568,986,188.50
Income tax	2,175,000,000.00	2,165,000,000.00	2,173,962,556.73
Miscellaneous internal revenue	559,000,000.00	577,500,000.00	621,018,665.64
Miscellaneous receipts	525,295,829.00	507,235,661.00	678,390,745.32
Total receipts	$3,841,295,829.00	$3,831,735,661.00	$4,042,348,156.19
Total expenditures, including reduction of the public debt required by law to be made from ordinary receipts	$3,780,719,647.00	$3,794,745,469.00	$3,643,519,875.13
Excess of receipts	$ 60,576,182.00	$ 36,990,192.00	$ 398,828,281.06

The estimated receipts for the fiscal year 1928, as given in the 1929 Budget, were $4,075,598,091 and the expenditures $3,621,314,285. The year closed with actual receipts of $4,042,348,156.19, and expenditures $3,643,519,875.13. We were thus given an actual surplus of $398,828,-281.06 that year, which is $55,000,000 less than the estimate. Taking into consideration that subsequent to the transmission of the 1929 Budget we spent $50,000,000 for carrying out the provisions of the settlement of war claims act of 1928, approved March 10, 1928, the real difference between the estimated and actual surplus for 1928 is but $5,000,000.

This current year, 1929, the outlook is not so bright. In the Budget for 1929, transmitted to the Congress in December, 1927, our receipts

were estimated at $3,809,497,314 and expenditures, $3,556,957,031. This indicated a surplus of $252,540,283. This forecast has been materially changed. With actual operations for four months of the current fiscal year of record and a clearer conception of what we face, the estimate is now that our surplus this year will be $36,990,192. While this margin of receipts over expenditures is small, it is most gratifying, as on July 1, last, the best estimate that could be made indicated a deficit of about $94,000,000. The surplus now estimated is based on receipts amounting to $3,831,735,661 and expenditures of $3,794,745,469. The difference between the estimate of a year ago and this estimate is primarily reflected in the expenditure figures which have increased $238,000,000. The postal deficit accounts for $68,000,000 of this estimated increase in expenditures. Included in that amount is approximately $9,000,000 for overtime pay of postal personnel, $9,000,000 for carrying ocean and air mail, $14,000,000 for increase in rail transportation rates, and $36,000,000 reduction in postal revenues. Expenditures for flood control account for $16,000,000. Public buildings under the Treasury Department and roads under the Department of Agriculture account for $26,000,000. Increases in the amount of pensions account for $11,000,000 and increases in pay of Federal personnel for $21,000,000. Tax refunds show an estimated increase of $18,000,000 and interest $5,000,000, while the Navy and Shipping Board expenditures account for $26,000,000. These are the major items which enter into the increase.

For the coming fiscal year, 1930, the estimate is that the receipts will amount to $3,841,295,829 and the expenditures $3,780,719,647, indicating a surplus of $60,576,182. The surplus margin for both this year, 1929, and next year, 1930, is small. It is, however, satisfactory, as it points to a balanced Budget. It is clear that we can not assume any great additional expenditures without jeopardizing this favorable outlook. We are committed irrevocably to a balanced Budget and that carries the assurance that the only revision of our tax laws which will be considered is a revision downward. We have no immediate prospect of any further reduction in tax rates; but we have no thought of curtailing in any way the benefits which have gone to the people by the four reductions already made in taxes.

In the following table a comparison is made with the estimates of appropriations for 1930 contained in this Budget and the appropriations for 1929:

	Estimates of Appropriations, 1930	Appropriations, 1929[1]
Legislative establishment	$ 18,919,730.64	$ 17,913,873.26
Executive Office	$ 458,120.00	$ 437,180.00
Independent establishments:		
Alaska relief funds	15,000.00	15,000.00
American Battle Monuments Commission	600,000.00	700,000.00

	Estimates of Appropriations, 1930	Appropriations, 1929[1]
Independent establishments—Continued		
Arlington Memorial Bridge Commission	$ 2,000,000.00	$ 2,300,000.00
Board of Mediation	348,270.00	347,902.00
Board of Tax Appeals	725,863.00	720,740.00
Bureau of Efficiency	228,130.00	210,350.00
Civil Service Commission	1,251,562.00	1,130,352.00
Commission of Fine Arts	9,080.00	7,300.00
Employees' Compensation Commission	4,077,326.00	3,755,010.00
Federal Board for Vocational Education	8,176,120.00	8,220,000.00
Federal Power Commission	179,500.00	120,890.00
Federal Radio Commission	164,440.00	364,027.00
Federal Reserve Board	2,605,741.00	2,700,000.00
Federal Trade Commission	1,289,760.00	1,048,000.00
General Accounting Office	4,132,000.00	3,820,000.00
Housing Corporation	397,950.00	475,750.00
Interstate Commerce Commission	8,213,825.00	7,654,745.00
National Advisory Committee for Aeronautics	1,300,000.00	600,000.00
Public Buildings and Public Parks	2,888,061.00	2,652,980.00
Smithsonian Institution	1,107,573.00	1,004,162.00
Tariff Commission	815,000.00	754,000.00
U. S. Geographic Board	9,200.00	4,300.00
U. S. Shipping Board and Merchant Fleet Corporation	9,994,000.00	13,688,750.00
U. S. Veterans' Bureau	597,375,000.00	560,000,000.00
Miscellaneous	.....	214,374.00
Total, Executive Office and independent establishments	$ 648,361,521.00	$ 613,005,812.00
Department of Agriculture	$ 154,232,131.00	$ 154,723,793.88
Department of Commerce	58,459,749.00	38,375,530.00
Department of the Interior	310,957,045.78	300,632,539.00
Department of Justice	28,103,570.00	26,808,062.50
Department of Labor	10,719,430.00	11,078,340.00
Navy Department	349,125,482.00	364,233,362.00
Post Office Department, postal deficiency, payable from Treasury	71,209,325.00	83,495,830.00
State Department	14,744,831.43	14,466,236.39
Treasury Department	329,698,615.80	345,940,278.00
War Department, including Panama Canal	444,835,222.00	408,605,351.50
District of Columbia	39,935,622.00	40,357,308.00
Total, ordinary	$2,479,302,275.65	$2,419,636,316.53
Reduction in principal of the public debt:		
Sinking fund	$ 379,524,129.02	$ 370,153,407.56
Other redemptions of the debt	173,543,500.00	172,289,300.00
Principal of the public debt	$ 553,067,629.02	$ 542,442,707.56
Interest on the public debt	640,000,000.00	675,000,000.00
Total payable from the Treasury	$3,672,369,904.67	$3,637,079,024.09
Postal Service payable from postal revenues	745,000,000.00	690,949,212.00
Total, including Post Office Department and Postal Service	$4,417,369,904.67	$4,328,028,236.09

[1]Exclusive of additional amounts required to meet the provisions of the act approved May 28, 1928, amending the classification act of 1923, approximately $20,000,000.

THE FRENCH DEBT

On August 1, 1929, bonds of the French Government aggregating $400,000,000 will mature. At the conclusion of hostilities the American Expeditionary Forces in France had accumulated in that country vast stores of supplies, materials and equipment. Under the authority granted by the act of July 9, 1918, it was decided to dispose of these supplies in France. The President, therefore, created under the War Department the United States Liquidation Commission, whose main duty was to settle claims and dispose of this surplus property stored in France. The commission appraised the value of the materials for the purpose of the bulk sale to France at $562,230,800. After offsetting certain claims and counterclaims and taking into consideration the contention of the French Government that some of the supplies carried into France were subject to customs duties estimated at $150,000,000, it was agreed to transfer these supplies to the French Government, the latter to give in payment its 10-year 5 per cent bonds, dated August 1, 1919, in the amount of $400,000,000, interest thereon to be payable semiannually from and after August 1, 1920. Under the terms of this contract the French Government delivered to the United States 400 of its 10-year gold bonds in the face amount of $1,000,000 each. These are the bonds that are due and payable August 1, 1929. Semiannual interest on these obligations has been paid punctually.

In addition to the foregoing, France purchased other supplies from the War Department stocks in the United States for which it gave obligations aggregating $7,341,145.01, of which $6,566,762.42 mature on May 9, 1930, and $774,382.59 on July 5, 1930.

All of the above-mentioned obligations were merged with the total obligations of France and included in the debt settlement agreement between the United States and France dated April 29, 1926, which funded the French indebtedness to the United States and under which the payments from France are spread over a 62-year period, with a material reduction in the interest rate. If, therefore, the debt agreement is ratified by the French Government and by the Congress of the United States prior to August 1, 1929, these obligations will not mature but will have become merged in the general indebtedness funded under the debt settlement.

The $406,566,762.42 due in the fiscal year 1930 has not been included in the estimate of receipts for the reason that it is still expected the agreement of April 26, 1926, may be ratified prior to the maturity of these bonds. If, in accordance with the terms of this agreement, it is ratified in France, it is recommended that it receive the prompt ratification of the Congress of the United States.

If the agreement is not ratified, it is believed that the $406,566,762.42 should be applied to the retirement of our war debt rather than treated as current receipts available for current expenditures.

FLOOD CONTROL

For the purposes of flood control the estimates contained in this Budget carry $31,000,000. That is the additional amount which the War Department states will be required to meet expenditures in 1930. If it should develop that more funds are required by the War Department for this purpose to meet the needs for that fiscal year, a further estimate will be presented to the Congress.

BUILDING

We are engaged upon one of the most ambitious and extensive building programs of peace-time history. When war was declared there had been appropriated by the Congress approximately $60,000,000 for projects widely scattered throughout the country, of which $30,000,000 remained unexpended. Building sites, some 150 in number, had been bought and construction thereon of needed public buildings was soon to begin. Imperative war demands postponed all activities of the sort, and when the war ended we faced serious lack of suitable office and housing space to meet the demands of materially enlarged governmental activities—not only enlarged but rapidly increasing. Post-war reconstruction demands, an extraordinary debt and crushing taxes further deferred remedial action in the matter of governmental building requirements. Reduction in expenditures and resulting reduction in taxes warranted in the year 1926 enactment of a national public building act which launched a building program of $50,000,000 in the District of Columbia, where need of new and suitable accommodations was most urgent, and construction programs for the rest of the country totaling $115,000,000. In 1928 the Congress amended this act by increasing the total by $100,000,000, making a grand total of $265,000,000 for public buildings for the civil purposes of the Government. In 1928 a subsequent act authorized an expenditure of $25,000,000 for the procurement of additional land within the so-called triangle in the District of Columbia, needed for building purposes, thereby increasing the total provision for these general building purposes to $290,000,000. There has already been appropriated under these acts $68,617,083.56, and $28,040,000 is carried in the estimates for 1930. Contracts have been let for 71 projects totaling $19,881,152, of which 35 have been completed and 36 are under construction, to cost $14,635,952. The foregoing figures are exclusive of $8,000,000 for the appraisers stores building in New York City, the full amount of which has been appropriated.

The Army has well under way a building program, exclusive of air service hangars and like structures, of $118,000,000. There has already been appropriated for this purpose $20,751,409 and $15,041,950 is carried in the estimates for 1930, with $3,000,000 additional authorized for obligation by contract. The estimates for 1930 also carry for technical and other buildings for the Air Services of the Army and Navy a total in round numbers of $4,500,000.

Additional hospital facilities for the Veterans' Bureau to the extent of $15,000,000 have also been authorized by Congress, of which $7,000,000 has been appropriated. The Budget estimates for 1930 provide $6,000,000 and in addition an authorization for obligation by contract of $2,000,000.

The Act of May 7, 1926, authorized an expenditure of $10,000,000 for houses and offices for our foreign representatives. The program is a 5-year project, appropriations being limited to $2,000,000 a year. There has been appropriated for these purposes $2,435,000, while the estimates for 1930 call for $2,000,000 additional.

These figures show a program, exclusive of technical buildings for air activities, which involves for its completion some $433,000,000.

NATIONAL DEFENSE

Ample provision is made in these estimates for national defense, the estimates for 1930 calling for $648,511,300 for the Army and Navy. This amount is reached after excluding from Army and Navy estimates all nonmilitary items, so that the figure given is the amount provided for purely military purposes. The actual expenditure for 1927 was $558,004,447; for 1928 it was $596,500,896; the estimated expenditure for 1929 is $672,844,288; while the estimated expenditure, as distinguished from appropriation estimates, is $668,277,712 for 1930. In submitting the annual Budget for 1926 the Chief Executive stated that the amount carried in that Budget for national defense was $549,000,000 and that in his opinion we could have adequate national defense with a more modest outlay of the taxpayers' money. Nevertheless, our defense estimates have steadily climbed until the cash requirements have advanced for 1930 by approximately $100,000,000 more than was estimated for 1926. This increase, however, is more apparent than real, for in these prior years the defense establishments have had the use of surplus supplies left over from the war. As these reserves have become depleted it has become necessary to increase the cash provision to take their place.

AIR SERVICE

The air interests of the Government are developing in a most satisfactory manner. The demands of the service while large have been

adequately met. The five-year program for the Army and Navy is approaching completion. Provision is made in these estimates for the third year increment of the Army and the fourth year increment of the Navy, and it is a fair assumption that at the end of 1931 the Navy will have a well-balanced fleet of 1,000 airplanes, while at the end of 1932 the Army will be in possession of 1,800 planes in proper proportion as to types. The necessary housing and other construction for the Army and Navy air forces are also provided for. The expansion of air activities, however, is by no means confined to the Army and Navy. The Department of Commerce, the Coast Guard and the Department of Agriculture are playing their parts in the developing air program, as is the National Advisory Committee for Aeronautics. While the Post Office Department definitely retired from the business of carrying mails in 1928, there is provided for 1930 for contract air mail service in the United States the sum of $14,300,000 and $4,000,000 additional for foreign air mail. While this is not Government-operated service, it is Government supported and can properly be cited as contributing materially to air service development. These estimates carry $6,427,260 for the Department of Commerce to carry on its important task in connection with commercial aviation. This estimate contemplates, among other items, the construction of 4,000 additional miles of lighted airways. There is provision in these estimates of $582,500 for the Department of Agriculture for obtaining weather predictions, fighting the boll weevil and for forest patrol. The total contemplated for all these purposes, direct and indirect, in 1930 is $140,631,824.

The rapid and legitimate expansion of our air service, military and commercial, is an achievement in which we can all take pride. Without artificial stimulation this extraordinary new factor in national defense and commerce has grown from modest and discouraging beginnings into a strong, healthy, promising national activity. Today we have more airplane manufactories than we have automobile factories. Today air mail lines cross the heavens in a rapidly increasing network of speedy communication. Freight and passenger carrying airplanes are increasing, and a growing demand is seen for airplanes for private use. The generous contribution made by the United States Government to this great and growing activity has been justified by the progress made and the results achieved.

The history of these great and necessary projects emphasizes the fact that there has been no niggardly provision for pressing Government needs. While constructive economy has been demanded from federal administrators, these economies have not deprived essential activities of funds, but have conserved and made available means for important necessary purposes. Our splendid Treasury is not a bottomless, automatically replenishing fountain of fiscal supply, and its outflow

must be eternally watched and carefully and wisely directed into proper channels.

In submitting this, the eighth Budget of the United States, the Chief Executive wishes to express his appreciation of the courteous, friendly and businesslike consideration accorded his estimates by the Congress. It is a matter for congratulation that after the careful and painstaking consideration given Budget estimates by the congressional committees there should be so little difference in results. Congressional action has amounted to practical ratification of the Budget estimates. It is also a matter for congratulation that congressional revision has resulted in reduction of estimates. The first seven Budgets (fiscal years 1923 to 1929) carried estimates totaling $27,000,475,970, which supplemental estimates increased to $29,800,233,790. On these estimates Congress appropriated $29,478,282,294, a reduction below Budget requests of $321,951,495. Of this reduction $135,468,732 pertains to the Budget for 1923, a reduction made possible by the Naval Disarmament Conference and the resulting curtailment of naval building projects as well as modifications in the Veterans' Bureau and Shipping Board programs. The total reduction in the six Budgets following 1923 is $55,971,630, a percentage of difference of only one-fifth of one per cent. To the Chief Executive nothing could be more gratifying than the hearty cooperation of the Congress with the President on Budget matters evidenced by these figures. CALVIN COOLIDGE.

ADDRESS

[Before International Civil Aeronautics Conference, Washington, D. C., December 12, 1928.]

MEMBERS OF THE CONFERENCE:

This year will mark the first quarter century of the history of human flight. It has been a period of such great importance in scientific development that it seems fitting to celebrate it with appropriate form and ceremony. For that purpose this conference has been called, and to the consideration of the past record and future progress of the science of aeronautics, in behalf of the Government and people of the United States, I bid you welcome.

Twenty-five years ago, at Kitty Hawk, North Carolina, occurred an event of tremendous significance. It was the first extended flight ever made by man in a power-driven heavier-than-air machine. How more appropriately could we celebrate this important anniversary than by gathering together to consider the strides made throughout the world in the science and practice of civil aeronautics since that day, and to

discuss ways and means of further developing it for the benefit of mankind?

Others, whose names will long be remembered, had done much to solve the problem, but it remained for the able, persistent, and modest brothers from Dayton to demonstrate completely the possibility of a machine raising itself by its own power and carrying a man in sustained flight.

Human flight with wings, which had intrigued the imagination since the beginning of time, became a practical reality on the day that the airplane of Wilbur and Orville Wright rose from the windswept dunes of the Atlantic coast. The elder brother lives with us only in memory, but Orville Wright, who piloted that first plane, is still actively interested in that science. We are glad to have him as one of our delegates to this conference.

No achievement of man in the progress of civilization has had a more rapid expansion. In the early days the ability to fly was ascribed to gods and demigods, to spirits and supernatural and mythical beings, both of the human and animal family. Pegasus, the winged horse, and Daedalus and Icarus are two of the innumerable examples which come readily to mind. The yearning to fly probably always has been in the human breast. But for centuries its fulfillment was considered as visionary, unattainable. Even within our memory utter impossibility was expressed by saying: "Might as well try to fly."

There is a wide difference between the romance of flying and aeronautics as a science. Archytas, Greek mathematician and mechanician of the first half of the fourth century B. C., made a flying pigeon. This seems to be the earliest authentic record of mechanical flying. Leonardo da Vinci, artist and scientist extraordinary, who lived in Italy over 400 years ago, left some interesting treatises and drawings on the principles of human flying. It was not until 1783, however, that a man was actually lifted from the ground and carried along in the air for a considerable distance. The vehicle was a hot-air balloon, devised by the Montgolfier brothers, paper makers of Auvergne, France. One of them was invited to address the Royal Academy of Science, and ascents were made for the king and queen. In 1852 a Frenchman built a dirigible balloon, propelled by steam; but further progress was delayed until the development of the internal-combustion engine. Alberto Santos Dumont, brilliant young Brazilian, began in Paris in 1898 to construct a navigable balloon. About the same time in Germany Count von Zeppelin started to work out his rigid airship. Only recently have we welcomed here the latest example of his skill.

In the meantime—beginning with Cayley, Englishman and "father of aerodynamics," who died in 1857, and continuing down through Henson and Stringfellow, Maxim, Ader, Lilienthal, and Langley (of Washing-

ton)—scientists were gradually, with gliders and other devices, working out the problem of a heavier-than-air machine.

With genius, indomitable perseverance, and a will to overcome obstacles, the Wrights, mindful of what had gone before, applied themselves to the solution of the problem. They experimented at Kitty Hawk for three seasons; and in the fourth, on December 17, 1903, success crowned their efforts. I understand the delegates to this conference will visit this historic spot on Monday, the exact day of the anniversary, to pay tribute to their achievement. That first flight lasted only 12 seconds. Three more were made the same day. One of 59 seconds carried the plane a distance of 852 feet. It was wrecked by the wind and tests ended for the time. Further experiments were made in Dayton in 1904 and 1905. In the latter year a Wright plane traveled for 24 miles at the rate of 38 miles an hour. Three years later one was bought by the War Department, our Government being the first to utilize this new device.

Other countries took up the idea and for a period rather outstripped us in flying. The crossing of the English Channel by the Frenchman Bleriot, considered an astounding feat, was made in 1909. Demands of the World War brought about the rapid advance in both the science and the practice, and in the production of equipment. After the armistice one after the other came the daring flights to annihilate space and time, including the thrilling and solitary journey from New York to Paris by our own Lindbergh in 1927.

It is to the development of aeronautics as an aid to the peaceful pursuits of transportation, of commerce, and of trade that this conference is to direct its attention. We are making a reality of the wonderful vision of Tennyson, who, in his "Locksley Hall," wrote in 1842:

> For I dipt into the future, far as human eye could see,
> Saw the vision of the world, and all the wonder that would be;
> Saw the heavens fill with commerce, argosies of magic sails,
> Pilots of the purple twilight, dropping down with costly bales.

After the war European nations began to develop aeronautics as a part of their transportation systems. Passenger lines with heavy government subsidies were established between principal cities. In America, during the war, 10,000 pilots were taught to fly; hundreds of aeronautic engineers and designers were trained; nearly 17,000 planes were manufactured by thousands of artisans who became skilled in aircraft production in many new factories. All of this was an important foundation for building up of civil aeronautics. Prior to this period our attention had been directed to the use of the airplane as a carrier of mail. From 1912 the Post Office Department sought money to establish air-mail lines, but not until 1918 was a special appropriation secured. In May of that year, between Washington and New York, the first

regular route was established. This service has been rapidly expanded, until now we have more than 22 mail routes with a daily mileage of nearly 31,000 miles. The air-mail poundage for January, 1926, was 23,000 pounds. In October this year 467,422 pounds were carried as compared with 423,838 in the previous month. Reduction in the postal rates last July doubled the amount carried inside of 30 days.

In 1926 this Government officially recognized the importance of flying by establishing the post of Assistant Secretary for Aeronautics in each of the War, the Navy, and the Commerce Departments. Since then we have made remarkable progress. Then the value of the aeronautic industry in the United States was placed at less than $5,000,000. Today it is said to be in excess of $150,000,000. In 1925 the production of aircraft was valued at about $13,000,000; for 1928 the estimate is over $50,000,000. For the air activities of the Department of Commerce we spent in 1927 more than $800,000; this year over three and a half million; and the estimate for 1929 is just under five and a half million.

Aeronautics have been rapidly advanced in other parts of the world as well. Nearly half of the 70,000 miles of air routes regularly operated in the world are in international air services, connecting important cities. Approximately, 10,500 are in Latin America, and about 5,000 in Australia. Some have been in operation for several years. Among the new services opened in 1928 are the Peruvian Navy line over the 6,000 miles between Lima and Iquitos, between Lima and Talara, and the Barranquilla-Guayaquil, Nueve-Laredo, Dakar-Buenos Aires, and Montreal to New York lines. Additional routes are being planned between the United States and the West Indies, South America and Mexico, and Australia and Canada. Important routes being considered are between the Netherlands and the Netherland East Indies and between Great Britain and Australia.

From incomplete reports it is indicated that about 15,000,000 miles were flown on European air services alone in 1927, more than 200,000 passengers carried and 10,000,000 pounds of luggage and goods and 3,000,000 pounds of mail. An average of nearly 75,000 miles daily were flown. It is estimated that these figures will be increased from 25 to 33 per cent for 1928. Most of the European lines have government subsidies. The efficient way in which they are operated has resulted in increasingly better financial reports.

Regular flying in the United States, beginning with a short mail line, has increased until this year there are approximately 15,500 miles of airways, on which during the first six months of the year nearly three and a quarter million miles were flown on regular schedule. The daily mileage is estimated at 52,000 miles. We have three important international lines—New York to Montreal, Seattle to Vancouver, and

Miami to Havana. Plans to extend the latter to the Isthmus and South America are under way. The transportation companies have been taxed far beyond their equipment. A recent and important development has been the linking of the airplane and the transcontinental railways, providing a rapid journey between distant points. The airplane is used for fast day travel, with a transfer to a railroad for the night journey.

The nineteenth century was the railroad and steamboat age. The twentieth century will be known for the development of aeronautics and air transport. The airways of the world now have a greater mileage than the railways did in 1850, the twenty-fifth anniversary of the opening of the first railroad built by Stephenson. Attention has recently been called to the safety of air passenger service, compared with that of railroads in the early days. In 1927 the Imperial Airways (Ltd.) carried 52,000 passengers over 2,500,000 miles without injury to a single passenger. In 1842, eight English railways, carrying 10,503 passengers over 3,562,338 miles, killed 22 and injured 34 others.

The country-wide tour of Lindbergh in the United States, following his wonderful and spectacular flight to Paris, did much to make America air-minded. A large amount of civil flying is now being done here, and the civilian-owned aircraft number over 6,000.

The aeronautic branch of our Department of Commerce is vigilant, resourceful and progressive. It has inaugurated a comprehensive system of regulation and control of aircraft manufacture as well as operation. Airways are laid out over the best flying country, and aids to flying, such as beacons and weather reports, are furnished. Our transcontinental airway from New York to San Francisco is over 2,600 miles long. More than 5,000 additional miles of airway are under the jurisdiction of the Department of Commerce. An air-information service is maintained and aeronautic research carried on through the Bureau of Standards. Valuable cooperation is rendered in the establishment and equipment of airports. On October 1, 1,387 ports were available for the use of the Army, Navy, and commercial fliers. Municipalities and communities in all parts of the country, realizing that air contacts mean more and better business, are planning airports. Nearly 900 more are now in prospect.

Air transport means much to the United States, divided as it is in the West by lofty mountain ranges and deserts. In the early days it took six months to go from Missouri to the Pacific coast. An airplane has traveled across the continent in less than 24 hours. We are stretching out our arms through the air to Canada and to our other friends and neighbors in the South.

All nations are looking forward to the day of extensive, regular, and reasonably safe intercontinental and interoceanic transportation by airplane and airship. What the future holds out even the imagination

may be inadequate to grasp. We may be sure, however, that the perfection and extension of air transport throughout the world will be of the utmost significance to civilization. While the primary aim of this industry is and will be commercial and economic and the prosperity of the world will be immeasurably advanced by it, indirectly, but no less surely, will the nations be drawn more closely together in bonds of amity and understanding. This conference, I know, will have far-reaching results in the advancement of a science and industry which appeals both to the spirit and the reason of man and which as the years go by will cement more and more firmly the bonds of international brotherhood.

TREATY WITH GREAT BRITAIN

[Preservation of Niagara Falls.]

THE WHITE HOUSE, *January 16, 1929.*

To the Senate:

To the end that I may receive the advice and consent of the Senate to their ratification, I transmit herewith a convention between the United States and His Majesty the King of Great Britain, Ireland and the British Dominions beyond the seas, Emperor of India, for the preservation and improvement of the scenic beauty of the Niagara Falls and rapids, signed at Ottawa on January 2, 1929, and a protocol signed on the same day.

The convention and protocol had my approval and were signed by the American minister at Ottawa by virtue of full powers issued to him by me.

I invite the attention of the Senate to the accompanying report by the Secretary of State on the subject. CALVIN COOLIDGE.

DEPARTMENT OF STATE, *Washington, January 16, 1929.*

THE PRESIDENT:

With a view to their transmission to the Senate to receive the advice and consent of that body to ratification, the undersigned, the Secretary of State, has the honor to lay before the President a convention between the United States and His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the seas, Emperor of India, for the preservation and improvement of the scenic beauty of the Niagara Falls and rapids, concluded at Ottawa on January 2, 1929, and a protocol signed on the same day.

In relation to the convention, the undersigned respectfully submits a report, as follows:

Pursuant to correspondence exchanged between the Department of State and the British Embassy at Washington, there was established in 1925 a Special International Niagara Board to study and report upon questions relating to the Niagara Falls and the Niagara River.

With a view to determining how the scenic beauty of the Niagara Falls and rapids could be best maintained and by what means and to what extent the impairment of the Falls by erosion or otherwise might be overcome, the special International Niagara Board was asked more specifically to inquire into and report upon the following questions:

(a) Whether and to what extent the scenic beauty of Niagara Falls has been, is being, or is likely in the future to be adversely affected by erosion or otherwise.

(b) Whether any ascertained or prospective impairment of the scenic beauty of the Falls can be remedied or prevented, and if so, by what measures or works.

(c) What would be the character, general location, sequence of construction and cost of any works required.

(d) Upon the carrying out of the proposals of the board under the foregoing paragraphs, what would be the flow of water required to preserve the scenic beauty of the Falls and river.

(e) What flow may be expected in the Niagara River from time to time, taking into consideration the conditions, including climatic changes, affecting the lake levels and the outflow of the lakes.

(f) What quantity of water might, consistently with the complete preservation of the scenic beauty of the Falls and river, be permitted to be diverted from the latter temporarily or permanently.

(g) From what sections of the river would it be proper to permit any diversions not already provided for by treaty, and to what extent might additional diversions be permitted in each of these sections.

The board was instructed—

(a) Not to make a recommendation as to the apportionment of any additional water available for diversion.

(b) To make such progress reports as may be appropriate, and to complete its inquiry as expeditiously as practicable.

On December 14, 1927, the Special International Niagara Board submitted an interim report in which it recommended the early construction of works at the United States flank of the Horseshoe Falls, at the Canadian flank of the Horseshoe Falls, and in the Chippewa Grass Island pool. A printed copy of the board's report is attached. The works recommended for the United States flank and the Canadian flank of the Horseshoe Falls were to consist of excavations and the construction of submerged weirs for the purpose of rewatering the two flanks of the Horseshoe Falls. The works in the Chippewa Grass Island Pool were to consist of the construction of a submerged weir for the pur-

pose of raising the level of the Grass Island pool, so as to throw more water against the head of Goat Island. The results which the board anticipated from the construction of the works on the two flanks of the Horseshoe Falls were the insurance at all seasons of an unbroken crest line from shore to shore, the maintenance of the present blended green and white color effects of the Horseshoe Falls, and in a measure a modification of the rate of erosion in the bend of the Horseshoe Falls. The works in Grass Island pool would insure an adequate flow in the American rapids and falls and by the Three Sister Islands.

In a letter dated April 9, 1928 (a copy of which is attached), signed jointly in behalf of the Hydro-Electric Power Commission of Ontario and the Niagara Falls Power Co. of New York, and addressed to the Special International Niagara Board, the commission and the company submitted drawings, showing proposed works in the Niagara River which were calculated to conform to the recommendations of the board made in its interim report of December 14, 1927. A description of the proposed works and estimates of the cost of construction accompanied this joint letter to the board. The commission and the company jointly offered to construct at their own expense the initial remedial works shown on the drawings submitted by them, subject to the following conditions:

1. Detailed plans, designs, methods of construction, and sequence of operations will be prepared by the commission and the company and submitted to the board for its approval within three months after notice of acceptance of this proposal. Modification of details, as the work progresses, will be made as directed by the board.

2. The board will use its best efforts to assist the commission and the company to obtain from all governmental authorities, whose consent is required by law, the necessary permits for the construction of the proposed works.

3. Construction of the proposed works on the flanks of the Horseshoe Falls will be commenced not later than ninety days after receipt by the commission and the company of the approval of the board and all other governmental authorities, and, subject to any interruption occasioned by governmental authority, will be completed within two years after commencement, except for such reasonable extensions of time as may be granted by the board.

4. Construction of the proposed weir in the Grass Island Pool will be commenced at such time as may be directed by the board after completion of the works on the flanks of the Horseshoe Falls and after receipt by the commission and the company of the approval of the designs of the weir by the board and all governmental authorities, and, subject to any interruption occasioned by governmental authority, will

be completed within two years after commencement, except for such reasonable extensions of time as may be granted by the board.

5. To permit observation of the effects of remedial works, after a substantial beginning shall have been made upon the works on the flanks of the Horseshoe Falls, the amount of water which, under the international treaty, may be diverted for power purposes from the Niagara River above the Falls on each side of the river shall be increased by an amount not exceeding in the aggregate a daily diversion at the rate of 10,000 cubic feet of water per second during the nontourist season from October 1 to March 31, inclusive, yearly.

6. The board shall have complete supervision and control over the additional waters permitted to be diverted, with power to diminish or suspend such additional diversions.

7. It is understood that diversions for observation purposes, referred to under section (5) hereof, shall be discontinued upon six months' notice given by the Government to the commission and the company after a period of not less than ten years from the date of authorization.

8. The construction of the works herein specified shall not be considered as effecting any change in the existing ownership of or title to those parts of the bed of the Niagara River upon which they have been constructed.

In a report dated May 3, 1928 (a copy of which is inclosed), which the Special International Niagara Board addressed to the Secretary of State of the United States and the Minister of the Interior of Canada, the board referred to the letter of April 9, 1928, from the Hydroelectric Power Commission of Ontario and the Niagara Falls Power Co. and stated that works which the commission and the company offered to build were those recommended by the board in its interim report. The board stated, further, that if constructed according to the general plans which accompanied the joint letter, modified in detail during construction to secure the effects desired, the works would materially improve present scenic conditions and would demonstrate beyond doubt whether the normally injurious effects of additional diversions for power purposes could be neutralized by the use of such works. The board recommended that the joint proposal of the commission and the company to construct the remedial works should be accepted subject to the following conditions and understandings:

1. Detailed plans, designs, methods of construction, and sequence of operations shall be prepared by the commission and the company and submitted to the board for its approval within three months after notice of acceptance of this proposal. Modification of details, as the work progresses, shall be made as directed by the board.

2. The commission and the company shall secure from all Federal, Dominion, State, and Provincial authorities, whose consent is required

by law, the necessary permits for the construction of the proposed works. The board will use its best efforts to assist the commission and the company in obtaining the said permits.

3. Construction of the proposed works on the flanks of the Horseshoe Falls shall be commenced not later than ninety days after receipt by the commission and the company of the approval of the board and all other governmental authorities, and, subject to any interruption occasioned by governmental authority, shall be completed within two years after commencement, except for such reasonable extensions of time as may be granted by the board.

4. Construction of the proposed weir in the Grass Island pool shall be commenced at such time as may be directed by the board after completion of the works on the flanks of the Horseshoe Falls and after receipt by the commission and company of the approval of the designs of the weir by the board and all governmental authorities, and, subject to any interruption occasioned by governmental authority, shall be completed within two years after commencement, except for such reasonable extensions of time as may be granted by the board.

5. To permit observation of the effects of remedial works, after a substantial beginning shall have been made upon the works on the flanks of the Horseshoe Falls the amount of water which under the international treaty may be diverted for power purposes from the Niagara River above the Falls on each side of the river shall be increased by an amount not exceeding in the aggregate a daily diversion at the rate of 10,000 cubic feet of water per second during the nontourist season from October 1 to March 31, inclusive, yearly.

6. The board shall have complete supervision and control over the additional waters permitted to be diverted, with power to diminish or suspend such additional diversions.

7. If, upon completion of said remedial works the withdrawal of the additional 20,000 cubic feet per second or some part thereof shall not, in the opinion of the board, appreciably affect the scenic value of the falls and the integrity of the river, it is understood that diversions for observation purposes, referred to under section (5) hereof, may be continued only so long, not exceeding seven years from date of beginning field construction, as may be necessary to enable negotiations to be undertaken and concluded for the modification of the present international treaty so as to permit permanent additional diversions of such amount as may then be agreed upon.

8. After construction of the works herein specified, they shall be considered as parts of the bed of the Niagara River and subject to the same ownership and control as those parts of the river in which they have been constructed.

According to the boundary waters treaty between the United States

and His Majesty's Government concluded January 11, 1909, the diversion within the State of New York of the waters of the Niagara River above the Falls of Niagara for power purposes not exceeding in the aggregate a daily diversion of 20,000 cubic feet of water per second is permissible. Under the treaty mentioned the diversion within the Province of Ontario not exceeding in the aggregate a daily diversion of 36,000 cubic feet of water per second is permissible. The proposals of the Hydro-Electric Power Commission of Ontario and the Niagara Falls Power Co. contemplate a diversion at the rate of 10,000 cubic feet of water per second from the Niagara River above the falls on each side of the international boundary in excess of the amount of water which it is permissible under the treaty of January 11, 1909, to divert.

Representatives of the Canadian Government visited Washington on November 12 to 14 last, when a draft of a convention and protocol to give effect to the recommendations of the Special International Niagara Board was tentatively agreed upon. With a note dated December 3 the Canadian minister at Washington formally submitted to the Department of State a draft of a convention and protocol, and stated that the Canadian Government was prepared to sign the convention and protocol in the form submitted. The draft of convention and draft of protocol were referred to the Secretary of War, who informed the undersigned that he regarded them as satisfactory and that he deemed it desirable that the convention be concluded and the protocol signed.

In pursuance of the authority conferred by the President upon the American minister at Ottawa and the authority conferred upon the Prime Minister and Secretary of State for External Affairs of Canada by His Britannic Majesty, the convention and protocol were signed by them on January 2, 1929.

Respectfully submitted. FRANK B. KELLOGG.

The President of the United States of America;

And His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India,

Considering that a Special International Niagara Board was established in 1926 by the Government of the United States and the Government of the Dominion of Canada to study and submit to the two Governments a report upon certain questions relating to the Niagara Falls and the Niagara River, more particularly the questions how the scenic beauty of the Niagara Falls and Rapids could be best maintained, by what means and to what extent the impairment thereof by erosion or otherwise might be overcome and prevented, and what quantity of water might consistent therewith be diverted from the river above the Falls;

And that on the fourteenth day of December, 1927, the said Special International Niagara Board submitted to the two Governments an interim report recommending the construction of certain works in the Niagara River for preserving and improving the scenic beauty of the Falls and Rapids;

And considering that Article 5 of the treaty with respect to the boundary waters between the United States and Canada, concluded between the United States of America and His Majesty on January 11, 1909, limits the quantity of water which may be withdrawn from the Niagara River above the Falls;

And that the Special International Niagara Board considers it desirable to make temporary diversions of water from the Niagara River above the Falls in excess of those permitted by Article 5 of the treaty of 1909, as a means of observing and testing the efficacy of the proposed works under widely varying conditions;

Have deemed it necessary to preserve and improve the scenic beauty of the Niagara Falls and Rapids, and to that end to adopt the recommendations of the said Special International Niagara Board, and have resolved to conclude a Convention, and for that purpose have appointed as their respective Plenipotentiaries:

The President; The Honourable William Phillips, Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Canada; and

His Britannic Majesty, for the Dominion of Canada; The Right Honourable William Lyon Mackenzie King, Prime Minister and Secretary of State for External Affairs;

Who, after having communicated to one another their full powers, found in good and due form, have agreed upon the following Articles:

ARTICLE I

The High Contracting Parties agree that remedial works shall be constructed in the Niagara River above the Niagara Falls, designed to distribute the waters of the river so as to ensure at all seasons unbroken crestlines on both the American and the Canadian Falls and an enhancement of their present scenic beauty.

ARTICLE II

Concurrently with the construction and tests of the remedial works and as a temporary and experimental measure, diversions of the waters of the Niagara River above the Falls from the natural course and stream thereof additional to the amounts specified in Article 5 of the Boundary Waters Treaty of January 11, 1909, may be permitted to the extent and subject to the conditions hereinafter provided:

(1) The additional diversions shall be permitted only within the period beginning each year on the first day of October and ending on the thirty-first day of March of the following year, both dates inclusive.

(2) The additional diversion to be permitted within the State of New York shall not exceed in the aggregate a daily diversion at the rate of ten thousand cubic feet of water per second.

(3) The additional diversion to be permitted within the Province of Ontario shall not exceed in the aggregate a daily diversion at the rate of ten thousand cubic feet of water per second.

(4) The provisions of this Article shall terminate seven years from the date of the initial additional diversion authorized under this Convention.

ARTICLE III

The present Convention shall be ratified by the President of the United States of America by and with the advice and consent of the Senate thereof and by His Britannic Majesty in accordance with constitutional practice. The ratifications shall be exchanged at Ottawa as soon as possible and the Convention shall take effect on the date of the exchange of ratifications.

In faith whereof the respective Plenipotentiaries have signed this Convention in duplicate and have hereto affixed their seals.

Done at Ottawa on the second day of January in the year of Our Lord One Thousand Nine Hundred and Twenty-Nine.

WILLIAM PHILLIPS.
W. L. MACKENZIE KING.

PROTOCOL

At the moment of signing the Convention between the United States of America and His Britannic Majesty for maintaining the scenic beauty of the Niagara Falls and Rapids in accordance with the recommendation of the Special International Niagara Board in its interim report dated the 14th day of December, 1927, as referred to in the preamble to the Convention, the undersigned Plenipotentiaries have agreed as follows:

I

The construction of the remedial works contemplated in the Board's interim report and authorized in Article I of the Convention, the provision for the cost and for the control thereof, as well as the control of the diversions of water authorized in Article II of the Convention shall be carried out in accordance with the recommendations of the Special International Niagara Board as set forth in its report dated the 3rd day of May, 1928, forwarding to the two Governments a joint

proposal, dated the 9th day of April, 1928, made by the Niagara Falls Power Company of Niagara Falls, New York, and the Hydro-Electric Power Commission of Ontario, which report and proposal are set out in the annex hereto.

WILLIAM PHILLIPS.
W. L. MACKENZIE KING.

QUESTIONS

1. What was President Coolidge's attitude toward adjusted compensation (bonus) for the veterans of the World War? See pages 9339, 9351, 9375, 9405.
2. What was his position on Prohibition enforcement? See page 9330.
3. What benefits did he think the high Republican protective tariff had conferred upon the country? See pages 9344, 9432 and 9463.
4. What problem was presented the Coolidge Administration by the Muscle Shoals Nitrate Plant? See pages 9354 and 9459.
5. How would many problems of the railroads be met by consolidation into fewer and larger systems? See pages 9346, 9353 and 9460.
6. Why did the Coolidge Administration want the "Gentlemen's Agreement" with Japan on immigration to continue? See page 9421.
7. Why was Coolidge opposed to excess profits and high income taxes? See pages 9338, 9344, 9372, 9440.
8. Why was the resignation of Attorney General Daugherty requested? See page 9386.

SUGGESTIONS

President Coolidge's Administration was characterized by a determined effort at economy in the Government Service. His analyses and recommendations to that effect are to be found on pages 9335, 9343, 9370, 9395, 9403, 9438, 9454, 9455.

His position on the revelation of corruption among high Government officials is hinted at on pages 9394 and 9433.

He gives his reasons for advocating adherence to the World Court on pages 9341, 9400, 9415, 9435, 9467.

His address on being notified of his nomination for the Presidency begins on page 9430.

His faith in the Dawes Plan is described on pages 9399, 9435 and 9466.

NOTE

For further suggestions on Coolidge's administration, see Coolidge, Calvin, in the Encyclopedic Index.

By reading the Foreign Policy of each President, and by scanning the messages as to the state of the Union, a thorough knowledge of the history of the United States will be acquired from the most authentic sources; because, as has been said, "Each President reviews the past, depicts the present and forecasts the future of the nation."

Herbert Clark Hoover

March 4, 1929—

Messages, Proclamations, Executive Orders, Diplomatic Notes and Addresses

SEE ENCYCLOPEDIC INDEX

The Encyclopedic Index is not only an index to the other volumes, not only a key that unlocks the treasures of the entire publication, but it is in itself an alphabetically arranged brief history or story of the great controlling events constituting the History of the United States.

Under its proper alphabetical classification the story is told of every great subject referred to by any of the Presidents in their official Messages, and at the end of each article the official utterances of the Presidents themselves are cited upon the subject, so that you may readily turn to the page in the body of the work itself for this original information.

Next to the possession of knowledge is the ability to turn at will to where knowledge is to be found.

Herbert Clark Hoover

The thirty-first President of the United States was born on the farm which his father cultivated at West Branch, Iowa, on August 10, 1874. His parents, Jesse Clark and Hulda Randall (Minthorn) Hoover, were members of the Society of Friends. Herbert was left an orphan at the age of ten, and went to live with his uncle on a farm in Oregon. He worked his way through Leland Stanford, Jr., University in California, getting the degree of Bachelor of Arts in engineering in 1895.

In 1899 he married Lou Henry, a fellow student at Stanford, with whom he later translated into English the famous Latin treatise on mining, Agricola's "De Re Metallica."

After being graduated from college, Hoover went into mining. His metallurgical activities took him to practically every quarter of the globe, and his work brought him not only considerable financial return, but also the highest and most widely recognized scientific standing as an engineer. He was in China during the Boxer uprising in 1900. He maintained residence in California, with legal residence at Stanford University and a palatial home at Palo Alto.

The outbreak of the World War in 1914 found Hoover in London. He was made chairman of the committee of relief to Americans stranded in Europe as a result of the war, and the following year was made chairman of the Commission on Belgian Relief. Under his administration the people of Belgium were saved from destitution as a result of the German invasion of their country.

With the entrance of the United States into the war, Hoover returned to the United States, and his unrivalled knowledge of food conditions all over the world led to his appointment as Food Administrator. He served also as chairman or member of many Allied commissions and committees for the better economic prosecution of the war. After the end of hostilities, he supervised much of the food relief in the stricken countries of Europe.

He was tendered and accepted the Secretaryship of Commerce in President Harding's cabinet in 1921, and continued in the same office

throughout the administration of President Coolidge. He had little opposition for the Republican nomination for the presidency in 1928, and won by an overwhelming electoral and a considerable popular majority over the Democratic nominee, Governor Alfred E. Smith, of New York, in the election in the following November. He was inaugurated into the presidency on March 4, 1929.

INAUGURAL ADDRESS

My Countrymen:

This occasion is not alone the administration of the most sacred oath which can be assumed by an American citizen. It is a dedication and consecration under God to the highest office in service of our people. I assume this trust in the humility of knowledge that only through the guidance of Almighty Providence can I hope to discharge its ever-increasing burdens.

It is in keeping with tradition throughout our history that I should express simply and directly the opinions which I hold concerning some of the matters of present importance.

If we survey the situation of our nation both at home and abroad, we find many satisfactions; we find some causes for concern. We have emerged from the losses of the great war and the reconstruction following it with increased virility and strength. From this strength we have contributed to the recovery and progress of the world. What America has done has given renewed hope and courage to all who have faith in government by the people. In the large view, we have reached a higher degree of comfort and security than ever existed before in the history of the world. Through liberation from widespread poverty we have reached a higher degree of individual freedom than ever before. The devotion to and concern for our institutions are deep and sincere.

We are steadily building a new race—a new civilization great in its own attainments. The influence and high purposes of our nation are respected among the peoples of the world. We aspire to distinction in the world, but to a distinction based upon confidence in our sense of justice as well as our accomplishments within our own borders and in our own lives. For wise guidance in this great period of recovery the nation is deeply indebted to Calvin Coolidge. But all this majestic advance should not obscure the constant dangers from which self-government must be safeguarded. The strong man must at all times be alert to the attack of insidious disease.

The most malign of all these dangers today is disregard and disobedience of law. Crime is increasing. Confidence in rigid and speedy justice is decreasing. I am not prepared to believe that this indicates any decay in the moral fibre of the American people. I am not prepared to believe that it indicates an impotence of the federal Government to enforce its laws. It is only in part due to the additional burdens imposed upon our judicial system by the Eighteenth Amendment. The problem is much wider than that. Many influences had increasingly complicated and weakened our law enforcement organization long before the adoption of the Eighteenth Amendment.

To re-establish the vigor and effectiveness of law enforcement we

must critically consider the entire federal machinery of justice, the redistribution of its functions, the simplification of its procedure, the provision of additional special tribunals, the better selection of juries and the more effective organization of our agencies of investigation and prosecution that justice may be sure and that it may be swift. While the authority of the federal Government extends to but part of our vast system of national, state and local justice, yet the standards which the federal Government establishes have the most profound influence upon the whole structure.

We are fortunate in the ability and integrity of our federal judges and attorneys. But the system which these officers are called upon to administer is in many respects ill-adapted to present day conditions. Its intricate and involved rules of procedure have become the refuge of both big and little criminals. There is a belief abroad that by invoking technicalities, subterfuge and delay the ends of justice may be thwarted by those who can pay the cost. Reform, reorganization and strengthening of our whole judicial and enforcement system both in civil and criminal sides have been advocated for years by statesmen, judges and bar associations. First steps toward that end should not longer be delayed. Rigid and expeditious justice is the first safeguard of freedom, the basis of all ordered liberty, the vital force of progress. It must not come to be in our Republic that it can be defeated by the indifference of the citizen, by exploitation of the delays and entanglements of the law, or by combinations of criminals. Justice must not fail because the agencies of enforcement are either delinquent or inefficiently organized. To consider these evils, to find their remedy, is the most sore necessity of our times.

Of the undoubted abuses which have grown up under the Eighteenth Amendment, part are due to the causes I have just mentioned; but part are due to the failure of some states to accept their share of responsibility for concurrent enforcement and to the failure of many state and local officials to accept the obligation under their oath of office zealously to enforce the laws. With the failures from these many causes has come a dangerous expansion in the criminal elements who have found enlarged opportunities in dealing in illegal liquor. But a large responsibility rests directly upon our citizens. There would be little traffic in illegal liquor if only criminals patronized it. We must awake to the fact that this patronage from large numbers of law-abiding citizens is supplying the rewards and stimulating crime.

I have been selected by you to execute and enforce the laws of the country. I propose to do so to the extent of my own abilities, but the measure of success that the Government shall attain will depend upon the moral support which you, as citizens, extend. The duty of citizens to support the laws of the land is co-equal with the duty of their Govern-

ment to enforce the laws which exist. No greater national service can be given by men and women of good will—who, I know, are not unmindful of the responsibilities of citizenship—than that they should, by their example, assist in stamping out crime and outlawry by refusing participation in and condemning all transactions with illegal liquor.

Our whole system of self-government will crumble either if officials elect what laws they will enforce or citizens elect what laws they will support. The worst evil of disregard for some law is that it destroys respect for all law. For our citizens to patronize the violation of a particular law on the ground that they are opposed to it is destructive of the very basis of all that protection of life, of homes and property which they rightly claim under other laws. If citizens do not like a law, their duty as honest men and women is to discourage its violation; their right is openly to work for its repeal. To those of criminal mind there can be no appeal but vigorous enforcement of the law. Fortunately they are but a small percentage of our people. Their activities must be stopped.

I propose to appoint a national commission for a searching investigation of the whole structure of our federal system of jurisprudence, to include the method of enforcement of the Eighteenth Amendment and the causes of abuse under it. Its purpose will be to make such recommendations for reorganization of the administration of federal laws and court procedure as may be found desirable.

The election has again confirmed the determination of the American people that regulation of private enterprise, and not Government ownership or operation, is the course rightly to be pursued in our relation to business. In recent years we have established a differentiation in the whole method of business regulation between the industries which produce and distribute commodities on the one hand, and public utilities on the other. In the former, our laws insist upon effective competition; in the latter, because we substantially confer a monopoly by limiting competition, we must regulate their services and rates. The rigid enforcement of the laws applicable to both groups is the very base of equal opportunity and freedom from domination for all our people, and it is just as essential for the stability and prosperity of business itself as for the protection of the public at large. Such regulation should be extended by the federal Government within the limitations of the Constitution and only when the individual states are without power to protect their citizens through their own authority. On the other hand, we should be fearless when the authority rests only in the federal Government.

The larger purpose of our economic thought should be to establish more firmly stability and security of business and employment and thereby remove poverty still further from our borders. Our people

have in recent years developed a new-found capacity for cooperation among themselves to effect high purposes in public welfare. It is an advance toward the highest conception of self-government. Self-government does not and should not imply the use of political agencies alone. Progress is born of cooperation in the community—not from governmental restraints. The Government should assist and encourage these movements of collective self-help by itself cooperating with them. Business has by cooperation made great progress in the advancement of service, in stability, in regularity of employment and in the correction of its own abuses. Such progress, however, can continue only so long as business manifests its respect for law.

There is an equally important field of cooperation by the federal Government with the multitude of agencies, state, municipal and private, in the systematic development of those processes which directly affect public health, recreation, education and the home. We have need further to perfect the means by which government can be adapted to human service.

Although education is primarily a responsibility of the states and local communities, and rightly so, yet the nation as a whole is vitally concerned in its development everywhere to the highest standards and to complete universality. Self-government can succeed only through an instructed electorate. Our objective is not simply to overcome illiteracy. The nation has marched far beyond that. The more complex the problems of the nation become, the greater is the need for more and more advanced instruction. Moreover, as our numbers increase and as our life expands with science and invention, we must discover more and more leaders for every walk in our national life. We cannot hope to succeed in directing this increasingly complex civilization unless we can draw all the talent of leadership from the whole people. One civilization after another has been wrecked upon the attempt to secure sufficient leadership from a single group or class. If we would prevent the growth of class distinctions and would constantly refresh our leadership with the ideals of our people, we must draw constantly from the general good. The full opportunity for every boy and girl to rise through the selective processes of education can alone secure to us this leadership.

In public health the discoveries of science have opened a new era. Many sections of our country and many groups of our citizens suffer from diseases the eradication of which are mere matters of administration and moderate expenditure. Public health service should be as fully organized and as universally incorporated into our governmental system as is our public education system today. The returns are a thousand fold in economic benefits, and infinitely more in reduction of suffering and promotion of human happiness.

The United States fully accepts the profound truth that our own progress, prosperity and peace are interlocked with the progress, prosperity and peace of all humanity. The whole world is at peace. The dangers to a continuation of this peace today are largely the fear and suspicion which still haunt the world. No suspicion or fear can be rightly directed toward our country. Those who have a true understanding of America know that we have no desire for territorial expansion, for economic or other domination of other peoples. Such purposes are repugnant to our ideals of human freedom. Our form of Government is ill adapted to the responsibilities which inevitably follow permanent limitations of the independence of other peoples.

Superficial observers seem to find no destiny for our abounding increase in population, in wealth and power except that of imperialism. They fail to see that the American people are engrossed in the building for themselves of a new economic system, a new social system, a new political system—all of which are characterized by aspirations of freedom of opportunity and thereby are the negation of imperialism. They fail to realize that, because of our abounding prosperity our youth are pressing more and more into our institutions of learning; that our people are seeking a larger vision through literature, science and travel; that they are moving toward stronger moral and spiritual life—that from these things our sympathies are broadening beyond the bounds of our nation and race toward their true expression in a real brotherhood of man. They fail to see that the idealism of America will lead it to no narrow or selfish channel, but inspire it to do its full share as a nation toward the advancement of civilization. It will do that not by mere declaration but by taking a practical part in support of all useful international undertakings. We not only desire peace with the world, but to see peace maintained throughout the world. We wish to advance the reign of justice and reason toward the extinction of force.

The recent treaty for the renunciation of war as an instrument of national policy sets an advanced standard in our conception of the relations of nations. Its acceptance should pave the way to greater limitation of armament, the offer of which we sincerely extend to the world. But its full realization also implies a greater and greater perfection in the instrumentalities for pacific settlement of controversies between nations. In the creation and use of these instrumentalities we should support every sound method of conciliation, arbitration and judicial settlement. American statesmen were among the first to propose and they have constantly urged upon the world, the establishment of a tribunal for the settlement of controversies of a justiciable character. The Permanent Court of International Justice in its major purpose is thus peculiarly identified with American ideals and with American statesmanship. No more potent instrumentality for this

purpose has been conceived and no other is practicable of establishment. The reservations placed upon our adherence should not be misinterpreted. The United States seeks by these reservations no special privilege or advantage, but only to clarify our relation to advisory opinions and other matters which are subsidiary to the major purposes of the Court. The way should, and I believe will, be found by which we may take our proper place in a movement so fundamental to the progress of peace. Our people have determined that we should make no political engagements such as membership in the League of Nations, which may commit us in advance as a nation to become involved in the settlement of controversies between other countries. They adhere to the belief that the independence of America from such obligations increases its ability and availability for services in all fields of human progress.

I have lately returned from a journey among our sister republics of the Western Hemisphere. I have received unbounded hospitality and courtesy as their expression of friendliness to our country. We are held by particular bonds of sympathy and common interest with them. They are each of them building a racial character and a culture which is an impressive contribution to human progress. We wish only for the maintenance of their independence, the growth of their stability and their prosperity.

While we have had wars in the Western Hemisphere, yet on the whole the record is in encouraging contrast with that of other parts of the world. Fortunately the New World is largely free from the inheritances of fear and distrust which have so troubled the Old World and we should keep it so.

It is impossible, my countrymen, to speak of peace without profound emotion. In thousands of homes in America, in millions of homes around the world, there are vacant chairs. It would be a shameful confession of our unworthiness if it should develop that we have abandoned the hope for which these men have died. Surely civilization is old enough, surely mankind is mature enough, so that we ought in our lifetime to find a way to permanent peace. Abroad, to west and east, are nations whose sons mingled their blood with the blood of our sons on the battlefields. Most of these nations have contributed to our race, to our culture, our knowledge and our progress. From one of them we derive our very language and from many of them much of the genius of our institutions. Their desire for peace is as deep and sincere as our own. Peace can be contributed to by respect for our ability in defense. Peace can be promoted by the limitation of arms and by the creation of instrumentalities for peaceful settlement of controversies. But it will become a reality only through self-restraint and active effort in friendliness and helpfulness. I covet for this

administration a record of having further contributed to advance the cause of peace.

In our form of democracy the expression of the popular will can be effected only through the instrumentality of political parties. We maintain party government not to promote intolerant partisanship but because opportunity must be given for expression of the popular will, and organizations provided for the execution of its mandates and for accountability of government to the people. It follows that the government both in the executive and the legislative branches must carry out in good faith the platforms upon which the party was entrusted with power. But the Government is that of the whole people; the party is the instrument through which policies are determined and men chosen to bring them into being. The animosities of elections should have no place in our Government, for government must concern itself alone with the common weal.

Action upon some of the proposals upon which the Republican Party was returned to power, particularly further agricultural relief and limited changes in the tariff, cannot in justice to our farmers, our labor and our manufacturers be postponed. I shall therefore request a special session of Congress for the consideration of these two questions. I shall deal with each of them upon the assembly of the Congress. It appears to me that the more important further mandates from the recent election were the maintenance of the integrity of the Constitution; the vigorous enforcement of the laws; the continuance of economy in public expenditure; the continued regulation of business to prevent domination in the community; the denial of ownership or operation of business by the Government in competition with its citizens; the avoidance of policies which would involve us in the controversies of foreign nations; the more effective reorganization of the departments of the federal Government; the expansion of public works; and the promotion of welfare activities affecting education and the home. These were the more tangible determinations of the election, but beyond these was the confidence and belief of the people that we would not neglect the support of the embedded ideals and aspirations of America. These ideals and aspirations are the touchstones upon which the day-to-day administration and legislative acts of government must be tested. More than this, the Government must, so far as lies within its proper power, give leadership to the realization to these ideals and to the fruition of these aspirations.

No one can adequately reduce these things of the spirit to phrases or to a catalogue of definitions. We do know what the attainments of these ideals should be: The preservation of self-government and its full foundations in local government; the perfection of justice whether

in economic or in social fields; the maintenance of ordered liberty; the denial of domination by any group or class; the building up and preservation of equality of opportunity; the stimulation of initiative and individuality; absolute integrity in public affairs; the choice of officials for fitness to office; the direction of economic progress toward prosperity and the further lessening of poverty; the freedom of public opinion; the sustaining of education and of the advancement of knowledge; the growth of religious spirit and the tolerance of all faiths; the strengthening of the home; the advancement of peace. There is no short road to the realization of these aspirations. Ours is a progressive people, but with a determination that progress must be based upon the foundation of experience. Ill-considered remedies for our faults bring only penalties after them. But if we hold the faith of the men in our mighty past who created these ideals, we shall leave them heightened and strengthened for our children.

This is not the time and place for extended discussion. The questions before our country are problems of progress to higher standards; they are not the problems of degeneration. They demand thought and they serve to quicken our sense of responsibility for their settlement. And that responsibility rests upon you, my countrymen, as much as upon those of us who have been selected for office. Ours is a land rich in resource; stimulating in its glorious beauty; filled with millions of happy homes; blessed with comfort and opportunity. In no nation are the institutions of progress more advanced. In no nation are the fruits of accomplishment more secure. In no nation is the government more worthy of respect. No country is more loved by its people. I have an abiding faith in their capacity, integrity and high purpose. I have no fears for the future of our country. It is bright with hope.

In the presence of my countrymen, mindful of the solemnity of this occasion, knowing what the task means and the responsibility which it involves, I beg your tolerance, your aid and your cooperation. I ask the help of Almighty God in this service to my country to which you have called me.

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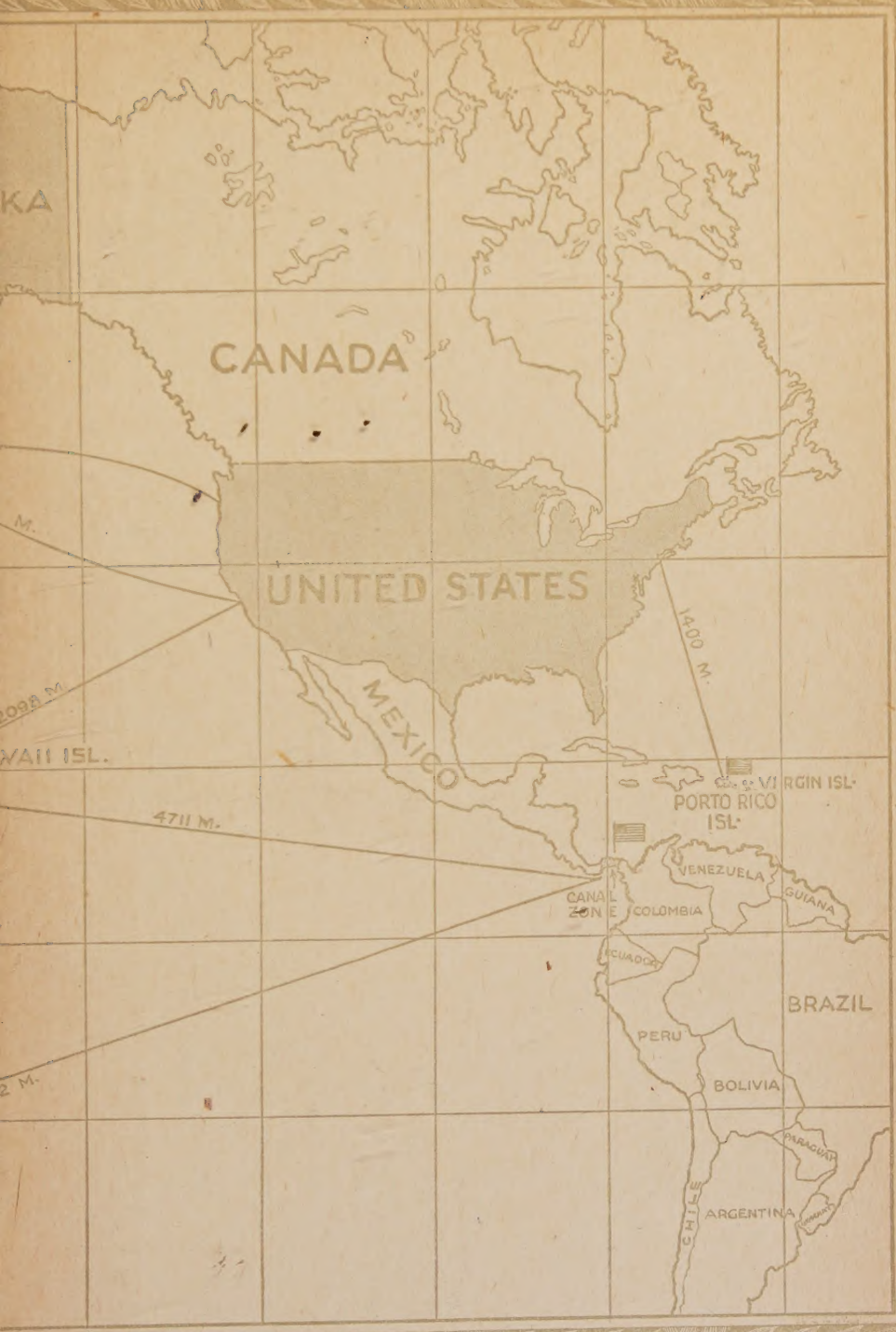
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